Daily Report
Latin America

FBIS-LAT-87-231 *2 December 1987*

CONTENTS

INTER-AMERICAN AFFAIRS

Group of Eight Holds News Conference *[Panama City]* 1

CARIBBEAN

Cuba

Foreign Ministry Issues Note on Haiti 8
Presidium Chairman Meets With Malmierca 8
Received by Rodriguez 8
Soviet Arrives for 'Zionism' Conference 8
PRC Foreign Trade Minister Zheng Departs 8
Castro on Importance of Provincial Assembly 8
Discusses Problems at Ironworks 9
Government To Invest in Turquino Plan 11

Dominican Republic

Bosch on Haitian Situation, Border Closure 11

Haiti

Sylvio Claude Calls for Outside Intervention 11
Terrorism Reportedly Continues in Capital 12
Political Groups Express Support for CEP 12

St Lucia

OECS Meeting Underway in Castries 12

MEXICO

Petricioli on Inflation Rate Increase *[EXCELSIOR 21 Nov]* 14
Briefs 14
Oil Price Reduction 14
Trade Balance Figures 14

CENTRAL AMERICA

Costa Rica

Sarney Briefs Arias on Group of 8 Meeting *[EFE]* 15
Arias Meets Spanish Deputy Prime Minister *[Madrid]* 15

El Salvador

Zamora, Ungo, Oquell on Current Situation 15
Zamora Comments on Solution to Crisis 21

Guatemala

URNG General Command Issues Peace Proposal *[PRENSA LIBRE 25 Nov]* 22

Nicaragua

Contras Present Proposal on Cease-Fire *[DPA]* 24
'Counterproposal' Viewed 26
Peru's Garcia Meets With President Ortega 26
Decorates Ortega 26
Ortega Replies 27
Joint News Conference Held 28
Intelligence Chief on 'Spy' Plane Flights 30
Arce Meets With GDR Party Delegation *[East Berlin NEUES DEUTSCHLAND 26 Nov]* 30

Panama

Aeroflot Begins Operation; First Plane Lands *[CRITICA 27 Nov]* 30

SOUTH AMERICA

Argentina

Alfonsin, Sanguinetti Return From Summit 32
Government Position Criticized 32
Changes in Intelligence Community Reported 32
Officers To Visit Spain, Discuss Democracy 32
Briefs 33
Swiss Banks Approve Loan 33

Bolivia

Garrett, UN Official on Drug Trafficking 33
Outgoing Commander Cited *[EFE]* 33
Official Views Coca Eradication Plan Support *[PRESENCIA 9 Nov]* 33

Brazil

Spokesman Denies Bresser Pereira Resignation *[EFE]* 34
President Approves 1988 Federal Budget 34
Sarney Authorizes Minimum Salary Increase 34
Institutional Changes Made in Public Finance *[O ESTADO DE SAO PAULO 27 Nov]* 34
Gold, Other Minerals Found in Antarctic *[O GLOBO 24 Nov]* 35
PRC Delegation Visits Space Institute *[FOLHA DE SAO PAULO 26 Nov]* 35
Briefs 35
November Inflation Rate 35

Chile

Pinochet Condemns Politicians in Speech 36
Merino Criticizes FRG Politician's Remarks 36
Minister Denies Copper Financing Campaign 37
Municipal Buildings in Santiago Bombed 37
Briefs 37
AIDS Cases Reported 37

Colombia

Minister Rules Out Ochoa's Extradition 37
Attache Denies Links 38

Paraguay

PLR Convention Names Presidential Candidate *[EL DIARIO 30 Nov]* 38
PLRA Leaders Report Party Member Missing *[HOY 27 Nov]* 39

Police Release Villalba *[LA TARDE 1 Dec]* 39

Peru

Military Arrest Mayor, Close Radio Stations *[AFP]* 39
Huanta Mayor Murdered, Wife Wounded 40
'Subversive Cell' in Ancash Dismantled 40

Suriname

NDP Chairman Wijdenbosch on Recent Elections 40
National Assembly Seats Report Expected 2 Dec 40

Group of Eight Holds News Conference

PA301500 Panama City Panavision Television in Spanish 1638 GMT 29 Nov 87

[News conference with the presidents of the Group of Eight nations—Raul Alfonsin, Argentina; Jose Sarney, Brazil; Virgilio Barco Vargas, Colombia; Miguel de la Madrid, Mexico; Eric Arturo Delvalle, Panama; Alan Garcia, Peru; Julio Maria Sanguinetti, Uruguay; and Jaime Lusinchi, Venezuela—by reporters and an unidentified moderator, held at the convention center in Acapulco, Mexico—live]

[Text] [Reporter] Mr President Alfonsin, good morning. It was reported you had a specific proposal calling for a reduction in interest rates to 4 percent. Today's communique does not mention any figures. It says this topic will be studied by the appropriate officials who will establish specific targets. What happened to the 4 percent proposal, and how close are we to seeing the 4 percent figure discussed in future negotiations?

[Alfonsin] We believe it is necessary to return to low interest rates, to the traditional interest rate. We discussed this in Argentina and we also discussed it during the visit to Argentina by the president [as heard] of Spain. We have also said interest rates should be fixed rates so we can manage our economies with certainty.

We are satisfied with the way the document has been edited because it speaks of establishing limits on interest rates. I believe each country can negotiate for slightly higher or lower interest rates depending on their specific circumstances. We are satisfied. We believe the document has taken Argentina's concern into consideration.

[Moderator] The next question is from Companero Luis Acena, from Manchete [Belo Horizonte, Brazil] Television. It is addressed to President Sarney.

[Acena, in Portuguese] What support has been received from your Latin American colleagues at this meeting?

[Sarney, in Spanish] At this meeting we did not discuss the specific concerns of any country. However, the document clearly states the solidarity of all the South American countries in the face of protectionist practices, of sanctions leveled against us because of foreign laws that we cannot obey.

[Moderator] The following question comes from Patricia Ramos of Hoy Television, Colombia for President Barco.

[Ramos] Good day, Messrs Presidents. President Barco: Do you believe present disagreements between certain countries in the area could be an obstacle for Latin American integration? Also, public opinion is important for this process. Do you think plebiscites could be held on this Latin American integration process? Thank you.

[Barco] [Words indistinct]

[Moderator] Patricia, would you please repeat the question? Sorry.

[Ramos] Thank you, Mr President. Do you believe present disagreements between certain countries in the area could be an obstacle for Latin American integration? And, as part of this process, and taking public opinion into account, would it be possible to hold a plebiscite on this integration, as has been done, for example, in the EEC? Thank you.

[Barco] I believe Latin American countries share a common language, similar beliefs, and the desire to improve society. Great efforts have been made to improve our peoples social conditions. We have strived to maintain human rights in our countries, and thus I believe that any temporary disagreements cannot be an obstacle to the achieving of common goals. The best example of this is this meeting here in Acapulco, where we have been able to agree on a large number of different topics while maintaining total respect for the rights of our neighbors, with a total commitment to promoting reciprocal support among all Latin American countries.

[Moderator] The following question comes from Concepcion Badillo of *Associated Press* for President de la Madrid.

[Badillo] Mr President: In the last 2 days, different newspaper sources, supposedly quoting officials who were present at your meetings, have reported that you were discussing the integration of Cuba into the Latin American system. Was there a specific decision on this? Why was this not mentioned in the joint communique?

[De la Madrid] We indeed discussed this subject, as well as many others. The subject was discussed within the context of a jointly held opinion that the OAS should be carefully revised and strengthened. The opinion held by all eight presidents is that the OAS can be a useful forum for dialogue between Latin America and the Caribbean and the United States and for North-South dialogue within the context of our own continent. We have acknowledged that for some years now the OAS has not fulfilled its role effectively. Many prerequisites for American and inter-American dialogue have not been fulfilled, thus keeping dialogues from taking place in the organization. This applies not only to political matters, continental security, and peaceful solutions of conflicts, but also to subjects that are of fundamental importance, such as economic, cultural, educational, and technological cooperation. The fact that Latin America is strengthening its mechanisms for concerted political efforts and economic cooperation does not imply a rejection of the OAS. The Latin American countries believe in multilateralism. We believe in the need to strengthen international institutions. We believe in the need to respect international law to ensure a peaceful, honorable, and fruitful coexistence among all nations. Within this

framework, the eight presidents believe that we must reflect and engage in pertinent consultations so that in due time Cuba will rejoin the OAS and establish links with regional organizations within Latin America.

[Moderator] The next question, for the Panamanian president, is from (Blanche Petrich) of *La Jornada* of Mexico.

[(Petrich)] Good morning, Mr President. I would like to ask you this: What is the importance of the U.S. Southern Command's departure from the Panama Canal and of punctual compliance with the Torrijos-Carter Treaties for the implementation of the Esquipulas II process, for which you have reiterated support here?

[Delvalle] Yes, of course, I would be glad to respond. I personally feel that, according to the treaties, the Southern Command is stationed in Panama mainly to oversee the security of the Panama Canal. Undoubtedly, from this strategic point it also covers and watches over a great part of Latin America in its mission to defend the interests of the United States of America. I believe we can regard the Southern Command not only as a unit prepared for war but also as a unit to defend and assist our countries in the event of disasters, as has been the case on several occasions. Therefore, I think it [the Southern Command] is also important for Central America.

[Moderator] The next question is by Humberto Mares Navarro of the Mexican Television Institute [Imevision] for President Alan Garcia. [10-second pause during which Mares Navarro does not ask his question] We will give an opportunity to Companero Pepe Cardenas, from the same institution, who also sought an opportunity to ask questions.

[Cardenas] What will be the attitude of the Latin American presidents gathered here toward Washington's attitude of not taking the Acapulco summit into account until such time as the declarations issued here are taken to an OAS meeting?

[Garcia] I think that the agreements reached here must be implemented regardless of what the United States thinks about them. Therefore, this is not conditional upon the acquiescence to or acceptance of our ideas by any power. Very important agreements have been reached here to translate ethical principles into actions. This is a cumulative process that will, little by little—because of the will of those taking part in it and by the force of circumstances—lead us to adopt definite positions like the ones we have begun adopting here, such as the position that it is impossible to repay the debt under present circumstances; that the debt must be quoted at its market value if our labor, our copper, and our wheat are quoted at market value instead of according to the labor we put into their production; and that the debt papers must receive the same treatment on the market and be subject to the laws of supply and demand. In our opinion, the interest rates must be limited to the historical rates and to the rate of world inflation, so that we will not finance the deficits and arms expenditures of the rich countries.

Therefore, what we have done here is begin—as has already been stated—a plan for future action, which is the expression of the will of a continent that is being shaped and cannot depend on the approval, acquiescence, or agreement of any power. I think this is a fundamental element for us to continue working and to realize that we depend on no one but on our will to build our future.

In this sense, as President de la Madrid has also stressed, we have also agreed to strengthen the OAS as the most important forum for the North-South dialogue in this part of the world. We have agreed to strengthen the OAS in order to return to it the role it has not played during these past several years. Therefore, without arrogance, without conceit, and without the emotion with which Latin America is always characterized, we have a code for action, a commitment to which we have subscribed here, and to this we must orient our proposals without exclusions or exclusivity and without rejecting dialogue, but essentially relying upon the principles to which we have subscribed here.

[Moderator] We have a question for President Sanguinetti from Jorge Castro of Argentina's *El Cronista Comercial*.

[Castro] President Sanguinetti, before arriving here for the summit you toured Central America. I want to ask if you got the impression that the new detente situation or link between the superpowers has already begun to take effect in Central America because the superpowers have stopped using local conflicts as an indirect way of fighting each other at a low cost.

[Sanguinetti] Undoubtedly the Central American situation is extraordinarily complex and multifaceted. It is the area's social and economic conditions, the ideological confrontations between the countries, the situations of instability in each of these countries, and naturally, without doubt, the foreign influences that have added to the Central American conflict. We are now seeing a process of change that ends with Esquipulas II. In other words, Central America has a peace project of its own, which is already in operation under circumstances which, although insufficient, are undoubtedly promising, thus confirming there is a will for peace parallel to the will for democracy.

I would say that foreign influence has not fully disappeared and that we all feel that there are events—some very objective and still under discussion—which contain the possibility or opportunity of intervention. However, what really matters is that there is a peace process that moves ahead from inside. As the Central American

process begins to advance on its own, the steam is taken out of the possibility of foreign intervention. Intervention feeds precisely on division.

If Esquipulas II continues, the possibilities for intervention become fewer and fewer each day. As the peace and democracy process moves ahead, the possibilities of intervention are reduced. Conversely, if Esquipulas II were to fail, we would undoubtedly suffer a setback and the possibility of intervention would increase. Happily, I feel that the former is the case. Naturally, as our Acapulco agreement states, we view with satisfaction the fact that the world's two largest military powers are starting to dismantle their huge [defense] apparatuses. Unfortunately, we are still too far away from the disappearance of those apparatuses, because the missiles the United States and the USSR are talking about and, happily, have agreed to dismantle account for only about 6 or 7 percent of their current total capacity. Just 5 percent of the USSR's potential is enough to destroy the whole world, not only the United States, and just 5 percent of what the United States has is enough to destroy not only the USSR, but the whole of the United States [as heard].

Therefore, hopefully this goes ahead, because this auspicious event is already a reality. Anyway, it has to start somewhere. In addition, the important thing is that apart from being a political event it is also an economic event. As soon as the big powers start freeing the resources they are using for arms today, they will naturally use those resources for investment or consumption, which is much more positive. We also trust that would benefit us indirectly.

[Moderator] Miss Jenny Silva of Venezolana de Television has a question for President Lusinchi.

[Silva] Good morning, Mr President and Messrs Presidents. I want to ask you the following: Doubtless the step you have all taken toward the stabilization of a new, lower interest rate is a positive one, but it is also necessary to strengthen cooperation mechanisms, as you have stated in the joint declaration. President Lusinchi, how do the eight [presidents] think these mechanisms may be implemented or used to create or put into effect existing mechanisms for creating a common market?

[Lusinchi] Up to now the search for Latin American integration has proved fruitless because it has been too utopic, lacking common sense in its design. Precisely now, with the accumulated experience, we are encouraging more realistic ways of putting this integration into effect. Our search is in no way designed as a substitute for the current mechanisms, but is a method for perfecting them, making them more pragmatic, as one says, because evidently they have not worked out. ALADI, SELA, the Andean Pact, have precisely failed in this way. The revision we have made and the pondering that everyone in Latin America is doing today leads one to believe that we must fine-tune our search toward much more practical ways. Therefore, today's political will should prevail over other, previous factors. Anyway, the important thing is that we have arrived at the perfect conclusion; namely, that without our own market, operating in our own interest, we are not going to resolve the situation, because not only the interests of the great powers prevail, but also selfishness, lack of understanding, and extraordinary insensitivity.

The solution lies within ourselves and not beyond. This is the basic conclusion reached, in all its aspects, at this Acapulco meeting.

[Moderator] Jonathan Steele, correspondent for *The Guardian* of England, has a question for President Alfonsin.

[Steele] The communique speaks in general terms of international emergency economic assistance for Central American countries. Do you have any specific amounts in mind? Have you agreed on special treatment for Nicaragua, which the United States is blockading? Thank you.

[Alfonsin] I believe your question is what kind of economic support we plan to give to Central America. We have not discussed the amount, but we believe we have to make an effort to consolidate Central American democracies. That support cannot be linked solely to political or legal points or to the verification of treaties. We believe that Latin America, in spite of all its difficulties, its economic problems, can still strive to improve, especially in the food sector and perhaps in the training of specialists for various social sectors, be it education or health.

We believe this is how we can provide really important support. We do not believe poverty impedes the implementation of democracy. We believe that democracy is necessary to effectively fight poverty, but we know—and the European nations undoubtedly know this very well—it is necessary to significantly support newborn democracies when they first deal with economic hardship, as was the case in Europe following the war. Then there were creative and imaginative answers, like the Marshall Plan for example, that allowed the consolidation of those democracies.

In Latin America we are experiencing the exact opposite situation. You probably know that we have sent around $150 billion to the North in the past 5 years. Speaking in relative terms, we are talking about twice the amount of money provided by the Marshall Plan. This has bled those who have little to benefit those who have much. But this is only a relative benefit, because we should understand that the debt weakens the economic equilibrium of the North.

According to our estimates, for each $1 million we pay to service the debt, some 25 workers lose their jobs in the North because we buy less.

Despite all this, in the framework of economic hardships and in the face of a lack of understanding from the North, we are determined to support democracy in Central American in the Latin American style, in whatever way we can. The North has always had policies of solidarity in the field of human rights. We appreciate these policies very much, but they are prematura because they cannot be implemented until after democracy dies for lack of the solidarity needed to ensure the process of liberty that our people are enjoying. [applause] We have the resolve to support, as much as we can, Central American democracy in the Latin American-style. We will promote pluralism—which is our style—promote political pluralism and, of course, unrestricted support for basic norms of international law, such as nonintervention.

This is what we have decided, sir.

We have also organized and set up emergency food aid programs. These are the programs that in my opinion we have to implement first, to show how to achieve solutions for Central America.

We have also decided to demand support from the world's democracies so that they help achieve the peace that is fundamental for us, not only because of its great significance for our Central American brothers but also because of what it means for each of our nations.

[Moderator] Armando Perez Montano, of *El Universal* of Mexico City, has a question for President Sarney.

[Perez Montano] Mr President, it is evident that countries such as ours are increasingly suffering from the payment of the debt and the debt service. They are also the victims of industrial and commercial protectionism. At the same time they import technology and products at high prices, which increases political and economic domination and colonialism.

Since these problems directly affect the people, I want to ask if the Latin American governments have the ability and will to make themselves heard and to produce a change in the positions of highly developed nations, including our creditors. Do you see a deterioration of democracy and the danger of an eventual social conflagration under the burden of poverty? I want to ask: What will be Latin America's future? Thank you.

[Sarney, in Portuguese] This meeting is a clear example of Latin American unity in facing problems. Eight presidents have met here and have produced a very positive document. Our words cannot be lost in the wind. They cannot. This organization we have created is a political organization as well as a permanent organization. It is more a political than a [word indistinct] organization. It has flexibility. It is, of course, a consequence of ideas that have been consolidated here.

We have given our foreign ministers a document called the action guideline so that they can implement now what must be implemented now and discuss matters that we did not discuss here.

I believe we are living through a historic moment in Latin American politics. We are building the history of contemporary America, of contemporary Latin America. I am saying this very seriously because the moment Brazil joined, body and soul, the efforts of Latin America, we jointly sealed the fate of our continent.

We have broken here with a point of view that was upheld for a long time, namely that we should be the last of the big ones. We prefer to be one more among our group, with our needs, with our problems, with our hopes. We state here we will make the most positive contribution possible so the ideas consecrated in this meeting become a reality and a force capable of strengthening the Latin American countries and their future negotiations. [applause]

[Moderator] Mr Luciano Weinberger, of La Hora, of Uruguay, has a question for President Barco.

[Weinberger] We yield this question to Mr Enrique Rios, from *El Colombiano*, of Colombia.

[Rios] Mr President Barco, good morning. We want to ask something of the president of Colombia. We know that on the eve of your arrival in Mexico, you condemned the killing of five young people. What effective measures will the Colombian Government adopt to put an end to the massacres going on in Colombia, especially against militants of the opposition Patriotic Union? There has been no report yet on the arrest of any of the people involved in these crimes. Thank you.

[Barco] The vile killing of five young communists at the party's headquarters in Medellin has been most strongly condemned by the government and the people. The problem of violence in Colombia is a problem that has existed for decades but the situation of violence is not as bad as it appears. However, because of our concern, the media rightly report all cases of violence on the front page. In other countries, there is also violence, perhaps a result of other situations.

In Colombia, the government has repeated its unyielding determination that any action aimed at destabilizing democracy in Colombia—and I believe the murder of those youths has that objective, to destabilize democracy and create chaos—will not prevail. Colombia is a Latin American country whose people have profound feelings of liberty and democracy. This will make us do as much as possible to hold on to our system.

Colombia has paid a very high price in blood. It has paid a high price in its fight against drug trafficking and terrorism. Several of the murders are rooted in that fight. I repeat that all will be in vain if drug trafficking is not

repressed simultaneously in the producing countries, naturally, but also and especially in the consumer countries—drastically in the great consumer countries. Drug trafficking involvement in destabilizing the Colombian Government is not the problem of one single country and is not even a bilateral problem. It is a problem that all countries must help to correct to cure the danger that besets the world's youth and, when taken to extremes as in Colombia, is used to destabilize democracy.

[Moderator] We have a question by Mr Javier Ortiz of *Novedades* for President de la Madrid.

[Ortiz] Thank you. Good morning, Mr President. My question is, considering how much has been said today about Latin American integration and the processes you have followed to strengthen it, what can be done if there are eight democratic countries which continually change leaders? Is there any way to ensure that this effort continues? Or will your efforts become useless?

[De la Madrid] I believe that today's meeting of eight presidents is the result of a maturing process of relations among Latin American countries. There is no doubt that this meeting has as one of its most important roots the process of advances in democracy in Latin America. Dialogue between countries represented by the legitimate will of their peoples becomes more easy, becomes more fluid. At the same time there are important analogies in their beliefs and political systems.

The future depends on the peoples themselves, but I also say that the Latin American peoples have a historical and natural vocation for freedom and democracy. The advances made will never be totally ensured. Even in countries with older civilizations, democracy has not become definite. Daily struggle by the peoples is essential to preserve and perfect their democratic systems, to broaden their liberties and to create more just and equal societies.

We believe that Latin America's integration process can strengthen democratic institutions as long as we unite our efforts, as long as we improve our economies and the social conditions of our development. We shall also then strengthen democracy. No one can offer political insurance on the future. What we can proclaim is the people's will to preserve their democratic systems as Latin America's own history shows.

Times of crisis and authoritarianism have been overcome thanks to the struggles of the peoples, thanks to the lives that have been sacrificed, and thanks to the unyielding will to return to the democratic system along new paths.

[Moderator] Lazara Estevez Perez, of Cuban television, wishes to put a question to President Delvalle.

[Estevez] Good morning, Messrs Presidents. Mr Delvalle, in your speech during the lst day of this meeting, you mentioned that Panama was willing to host a summit meeting of Latin American presidents. I want to ask you if something has been decided on the possibility of holding this meeting, when it will tentatively be held, and how far-reaching would it be in terms of those participating in it? Thank you.

[Delvalle] Within the framework of the talks of the eight presidents here in Acapulco, the topic of that possible meeting was not discussed. However, as I said in my speech, Peruvian President Dr Alan Garcia proposed this initiative and I accepted it at that time, thinking it would provide a good opportunity for all the leaders of the Americas to meet and discuss our differences as well as all the things that unite us, and our common problems. We do not rule out that idea. The result of this first meeting of eight Latin American presidents may possibly propitiate a future meeting of Latin American leaders. Thank you. [Moderator] The next question is from Companero Tito Drago of the *Inter-American Press Service* [as heard] for the Peruvian president.

[Drago] Yes, for the *Inter Press Service*. Dr Garcia, the day before yesterday you began your speech addressing it to Latin American compatriots. My question is: Can you define this concept of homeland? Do you measure Latin America's unity in terms of years, decades, or centuries and, in any event, what role do you attach to, or how do you deal with, the dictatorships that still exist on the continent, like those of Chile and Paraguay?

[Garcia] I said compatriots because I believe through chance we make up different countries now but that—and I am deeply convinced of this—the destiny of our continent, Latin America, is to make up a great nation, a political organization that will enable it to enter the world stage under equal conditions; to talk about topics concerning humanity as a whole, and not merely to be the object of decisions adopted by the great powers that polarize world politics.

Each of our countries has existed either 160 or 170 years but reflects an isolated national development that is a path with no way out. Each one of our countries has tried the same parallel but separate paths. We have been exporters of raw materials at low prices. Our countries tried to become industrialized after the great crisis of 1929 [word indistinct] that America can only be a market for a great, developed industry. We are now debtor countries which, up to this meeting, have tried or are trying to negotiate bilaterally or separately with the major international banks and the great nations.

However, this history of isolation only demonstrates to us that development will not be viable in our countries until we make up a qualitatively better entity, i.e., an integrated America. We face many obstacles and many

ideological problems along that path. We bear the inertial burden of having been taught to live in isolation. However, I think a fact that will define our future will be Latin America's unity.

That is why I said compatriots, and I think the paths we have used to achieve this unity have contributed to it but have not been the most adequate. We have tried to institute economic models rather than integration itself. LAFTA [Latin American Free Trade Association] and SELA are examples of this. We have tried to integrate our industries by sector. However, history and the objective force of things are pushing us toward political unity, which is what we have cemented now through this mechanism for political agreement.

Rather than economic units or major systems of industrial integration, what Latin America needs is to adopt the decision to integrate politically in order to tackle [its] major problems.

In that regard, as they say in the Caribbean, I believe that things are O.K., except that they are getting worse in each one of our countries. [applause] I do not believe this is just a dream, or something that belongs to the past, because if it were just a dream we might not wake up. I believe that Latin America must take action, that we have talked enough and it is time to make certain decisions. We have established the principles for collective actions; however, it is the responsibility of each one of us to move in that historic direction. I believe that in addition to the meeting, which is a political and historical event by itself, we have accomplished something fundamental. The debt is a good impetus for our integration, with more or less intensity in each country; each one of our speeches reflected our concern over this matter. However, we see the great contradictions of capitalism and of the international economic system today are the debt and the interest rates that impoverish us even more and that oblige us to act and form political alliances to seek solutions that will prevent our countries from continuing on the wrong path. Here, in this document, we have recognized something that used to be heretical and taboo. We have recognized a moral principle: No country is obliged to pay [its debt] beyond its capabilities or at the expense of its development and well-being.

That principle, which seems simple, is nevertheless the principle and the right to peaceful resistance by those of us who are debtors because of the unjust origin of an international relationship. I think this fundamental point marks a milestone. We agree no one should be forced to pay beyond his ability; otherwise it would be an injustice. Either through interest rate reduction or through limits on the debt payment we all have the fundamental obligation to achieve development and justice in our societies.

I give you Peru as an example. In 1986, with a great effort toward domestic demand and productive reactivation, Peru registered an 8 percent growth in the gross domestic product. It was an unprecedented growth compared to previous years when we grew 2 and 1 percent. In 1986, we grew 8 percent. In monetary terms, that growth amounts to approximately $1.5 billion. However, in 1986, we owed an additional $1.4 billion, just from interest on the debt. Because the price of petroleum fell in 1986 from $25 to $9 a barrel and because the price of coffee fell, we lost $400 million just on those two products. Therefore, as a result of the interest rates and the fall in prices, we had $1.7 billion less. In other words, the 8 percent growth was useless or it would have been useless if 1 year before we had not made the decision to drastically limit the payment of the debt so as to accumulate reserves to save foreign currency and to have development possibilities.

I was saying, recalling a phrase used in the Caribbean, that the great world contradiction to which the presidents have referred has its internal expression in each of our countries and in several of them, in a decisive manner with regard to the debt issue, forcing us to act and forcing our peoples to become increasingly more aware of the relationship between democracy and the debt. That is why I think, without excessively stressing the debt issue, that it is our major problem but it is also the major tool to make us aware of the need to act. That is why I have said that every cloud has a silver lining. As has always happened in the history of mankind, from the contradictions and the problems that we have today, the light of unity will have to appear. Because of that future unity, I dare to call the gentlemen who are here my compatriots. [applause]

[Moderator] Correspondent (Chin Chimin) of *Wen Hui Bao* of China wants to ask President Sanguinetti a question.

[(Chin Chimin)] What are the most difficult problems concerning the cease-fire in the Central American countries?

[Sanguinetti] The reasons for the conflicts in Central America are undoubtedly very complex and we all are aware of them. There is a situation of an intense armed conflict in Nicaragua, El Salvador, and to a lesser extent in Guatemala. These conficts continue, but in recent times important efforts have been made. In El Salvador, the government decreed a unilateral cease-fire. It paid a great price for it from the military standpoint and in people it lost. The Army suffered more than 100 casualties because of this position. Political leaders who had previously been linked to the guerrilla or insurgent movements have joined political life. Therefore, there are developments which are moving us closer to a cease-fire.

In Nicaragua, both the government and the insurgent sector have accepted the mediation of Cardinal Obando y Bravo who has received a letter from the government stating the terms of his mediation. He has also received a letter from the insurgents. Therefore, although they are modest beginnings, what is unquestionable is that steps are being taken in the direction of a cease-fire. The Acapulco commitment precisely insists on the topic of the cease-fire as one of the basic elements for the region's definite pacification. However, it is not the sole element.

There is a key concept in viewing the Central American issue. This is the key of the Esquipulas agreement. It is the simultaneity of the processes. It is not automatic or absolutely perfect simultaneity but an effort in which everyone moves in that direction. I believe there is already important progress but still not enough to be able to state that everything is resolved.

[Moderator] Luis Alberto Garcia of NOTIMEX would like to ask President Lusinchi a question.

[Garcia] Would the action to help Central America by the Group of Eight include the strengthening and support for Nicaragua inside or outside the San Jose Pact?

[Lusinchi] It could perfectly well be. As you know, the San Jose Pact has standards that must be met and we abide by them. In any case, Mexico and Venezuela specifically have never been selfish. On the contrary, we have promoted special conditions different from the standards of the San Jose Pact. It would be wrong to set conditions for others that we ourselves would not be willing to accept. In any case, oil is a public property both in Mexico and Venezuela and we must abide by the requirements of our own laws.

We would be abiding by the law safeguarding the public heritage in Venezuela if we give oil away for free. [sentence as heard] Therefore comrade, things must be framed exactly within international agreements and the mandates of each country's laws. In this summit of the Group of the Eight we established a commitment agreeing to join our efforts to contribute to the Central American initiative.

In addition, our countries have been the only ones that have put those contributions into practice, because certain countries or groups of countries say a lot of things about Central America; however nothing specific is done. Other countries help by sending weapons, but they do not finance development or means of survival for the Central American countries and specifically for Nicaragua. Therefore, armament is what one side or the other provides, not food.

[Moderator] Presidents, fellow newsmen, 1 hour already has passed and because of the various obligations the presidents have we must conclude this news conference; but—if the presidents allow me—before we end it I would like to thank all the media covering this summit for their valuable cooperation in transmitting it to the entire world. Thank you very much, fellow newsmen.

[De la Madrid] Newsmen, the Latin American presidents present here have asked me to thank you on their behalf for your interest in the development of our meeting and for the complete and efficient way in which you covered this event, which we consider historic and highly important, for the rest of the world. Thank you very much. [applause]

Cuba

Foreign Ministry Issues Note on Haiti

FL021322 Havana Tele-Rebelde Network in Spanish 1200 GMT 2 Dec 87

[Text] The Cuban Foreign Ministry [MINREX] has officially declared its deep concern over the recent events in the sister Republic of Haiti and says the Haitian people have continued to be denied the right to exercise their democratic will since the Duvalierist dictator left. The MINREX says the National Government Council—created, supported, and funded by the U.S. Administration—has violently frustrated all Haitian desires for freedom and democracy by applying all the terrorist methods of the Duvalier regime. The note points out the concern over the statements made by influential people in the U.S. Government aimed at justifying a U.S. military invasion in Haiti and observes that this same interventionist language has been used before each of the imperialism's military ventures, especially in our region.

The MINREX urges the international community to condemn the barbarity of the tyrannical regime existing in Haiti and to give to its heroic people all the solidarity they deserve in the struggle to achieve true democracy.

The note ends with a call to avoid any kind of intervention, especially military, on the pretext of saving lives and property.

Presidium Chairman Meets With Malmierca

FL260319 Havana Television Service in Spanish 0100 GMT 26 Nov 87

[Text] Vladimir P. Orlov, deputy chairman of the USSR Supreme Soviet Presidium and chairman of the Russian Soviet Federated Socialist Republic [RSFSR] Supreme Soviet, was received today by Isidoro Malmierca, member of the PCC Central Committee and foreign minister. Orlov, who is also member of the CPSU Central Committee, was accompanied by Severo Aguirre, member of the PCC Council of State and Central Committee and vice president of the National Assembly of the People's Government [ANPP]. (Vladimir Isiliov), charge d'affairs of the Soviet Embassy in Cuba, and (Sonia Valmaya), official of the ANPP, also participated in the meeting. Aspects of the magnificent existing bilateral relations were discussed and views were exchanged on the international situation, especially in southern Africa and Central America.

Received by Rodriguez

FL261523 Havana Tele-Rebelde Network in Spanish 1200 GMT 26 Nov 87

[Text] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, has received Vladimir P. Orlov, deputy chairman of the USSR Supreme Soviet and chairman of the RSFSR Presidium. Carlos Rafael gave the Soviet leader a detailed explanation of Cuba's social and economic development. They also had a productive exchange of information on the experiences of the Supreme Soviet and the National Assembly of the People's Government.

Soviet Arrives for 'Zionism' Conference

FL261532 Havana Tele-Rebelde Network in Spanish 1200 GMT 26 Nov 87

[Text] Colonel General David A. Dragunskiy, twice Hero of the Soviet Union and chairman of the USSR's anti-Zionist committee, has arrived in our country to attend the scientific conference "Palestine and Israel—40 Years After UN General Assembly Resolution 181." The event is jointly sponsored by the Center for African and Middle East Studies [CEAMO]; the group of Zionist studies and information; and Cuba's Arab Union.

Col Gen Dragunskiy and his delegation will hold talks with Cuban party and government officials and the above-mentioned institutions.

PRC Foreign Trade Minister Zheng Departs

FL011840 Havana Radio Progreso Network in Spanish 1200 GMT 1 Dec 87

[Text] The Chinese Foreign Trade Minister Zheng Tuobin has returned to his country after concluding an official visit to Cuba. The Chinese leader signed a trade protocol for 1988 during his visit here. Zheng also met with government officials and visited places of economic and commercial interest.

Castro on Importance of Provincial Assembly

FL261357 Havana Television Service in Spanish 0100 GMT 24 Nov 87

[Interview with Commander in Chief Fidel Castro, president of the Councils of State and Ministers, by Lissette Bustamante during his visit to Blas Roca Calderio Construction Contingent on 22 November—recorded]

[Text][Bustamante] What do you expect of this meeting [not further specified] that will be held at the Palace of Conventions?

[Castro] I think this meeting will be very important because we will be able to discuss, openly and in depth, all the work we have done and the problems we have. It will be a meeting to recount all the efforts made during the past year, to analyze our current problems and decide what we must do. We will discuss our objective and subjective difficulties and how we must handle them.

Because of my past experiences at municipal assemblies I can say that I feel that this provincial assembly will be a very useful one. All the problems cannot be resolved at the municipal level. We have cases where there is an enterprise, or establishment, in several municipalities; there are also cases where the enterprise is outside the

city but it is very much involved with work in the city. We have the sand and cable factories in San Jose and the cement factory is in another province. However, representatives from all these factories will be present at the meeting.

The ministers will also be present. The secretaries of the parties, of the party—the correct word is not parties—will also be present. The first secretary of every province will be at the meeting. They will be there to hear about the experiences gained, especially in the construction field In January they will begin the process we began in Havana early this year.

I think the assembly will be very good. We have chosen a good place to hold it so people will be able to work without problems. There will be enough space for all the delegates and we will also have time to discuss all the problems. This is not always possible during the municipal assemblies. We will be holding a 2-day meeting and we also reserved that Sunday should we find we did not have enough time to discuss all our problems. In the light of the rectification process, I think this assembly will be very important. It is also going to be a very open meeting. All the issues will be discussed in depth. It will be a very open meeting just like the meetings of the National Assembly and like the youth congress. We want our assembly to be like that.

[Bustamante] Our television channels are not only planning to cover the meeting but also to carry special programs.

[Castro] They can cover all they want and report on all they want. No one will be told: hold that, don't say that. We are going to discuss every issue; we are going to talk about anything and everything we consider worthwhile. That is the whole idea of this assembly and this is why we are giving it so much importance. Much is being done throughout the provinces on the occasion of this assembly. The people are putting forth great efforts. They have turned the Havana party assembly into a small party congress. That will be the nature of the assembly and I will be very happy to see all of you there.

Discusses Problems at Ironworks

FL300017 Havana Television Service in Spanish 0100 GMT 28 Nov 87

[Report from Palace of Conventions in Havana]

[Excerpts] [Reporter] The 1st day of the capital's provincial party meeting has been devoted to an analysis of those large enterprises that faced serious problems but in which the PCC's work has met with a positive response. Reports were heard on the situation and results in the following enterprises: Casablanca shipyards, Caribbean Navigation, Planta Habana, Gerardo Abreu Fontan Confectionery, Enrique Varona steelworks, Chullima shipyard, and particularly the Guanabacoa ironworks, a determining factor in the fulfillment of the whole housing and social projects construction plan for the capital and the rest of the country.

[Fidel Castro] Comrade, you have given us a good report on what you all have done. However, this assembly wants to see what the problems are and how to solve them. It would be good if you talked to the assembly about the problems you had there. What was the matter with your factory? You see, they don't have all the facts that you and I know. There are a lot. [Castro chuckles] What did you do to solve them? How did you accomplish it? That is very important. Otherwise, it would look as if the factory were an average one, one that was producing and now is doing this or that. Give us some details. How did the party work there?

[Speaker] Commander, I feel that the first thing we must say is that for us your presence in the factory was very encouraging. We have to acknowledge this. The place was totally disorganized. In fact, workers there, whom we believe are honest people, approached us recently and told us: Look, comrade, we used to arrive here in the morning, punch our card, and since there was no control and nothing was being accomplished, we left. We then collected our biweekly or monthly check, cool as anything. No one cared about producing, no one cared about anything.

It was chaos. For instance, the raw material was buried under the ground [as heard]. There were no gardens. Where there are gardens today, the area was full of raw materials. I believe we must say here that the party leadership, the PCC municipal bureau, Comrade Lezcano's presence in the factory have also helped us solve these problems. The deficiencies were of such a nature that they were unbelievable. But we also have to mention how man has gone through a transformation. These are the same men who were there from the start and no other. What has been achieved is the result of the awareness that all the workers have developed. Many of them say that "the ironworks plant responds" is not a slogan; it is a moral commitment to the party and Fidel.

[Castro] She spoke of the good qualities they all have with good reason. She spoke of the advisers. We must say that the advisers play an important role, especially one Spanish adviser. He has taught us; he has taught us what to do. We did not know how. The ironworks was really a disaster. I believe we invited the adviser, didn't we?

[Speaker] Yes, he's here

[Castro] What do we do? Give him the floor so that he can explain some of the problems?

[Speaker] Certainly, if he wants to

[Castro] Comrade. [applause] I should tell you that he is a capitalist adviser! [laughter] He is a capitalist adviser, a businessman who developed ties with us because he supplied the wrenches. He has helped us a great deal. We are infinitely grateful. I think we can give him the floor so he can tell us his impressions. I hope he feels comfortable among the communists of the capital. [laughter]

[Speaker] Comrade Juan Lopez

[Lopez] Comrades, I would just like to briefly explain how I found the Guanabacoa ironworks. It's a short story.

[Castro] Go ahead, go ahead. Don't worry. [laughter] What we are interested in is your point of view, what you found there, what happened there.

[Lopez] In 1985 I was invited to visit the plant. [passage omitted] I told the administrators that the plant did not work nor would it work. When asked why, I told them that the plant had no heart. [passage omitted] I was asked for assistance. I told them I would bring my own people, four specialists in that field, as well as myself. [passage omitted] On 8 January 1987 I was here with my team. We began a study of the plant. That is when I realized that I would have to stay 365 days, which I plan to. [laughter] [passage omitted]

The thing is to demand that middle management administer well, that they raise awareness in the work force. But this consciousness-raising must be experienced, not directed, because it is not the same thing to direct from behind the desk as to direct from the shop floor. I believe that the manager of a plant must be the first one in each morning. He must be aware of the problems, find out where the problem is. He must share the problems of his workers. [passage omitted] This can be accomplished by coming in at 0700 and by spending 4 and 5 hours with the work force, with the production chief, and with the personnel chief. [passage omitted]

[Castro] I think Juan Lopez deserves applause for his enthusiasm, for the serious way he has undertaken to share his experience. The worst ignorance is not to know how ignorant one is. There were people who thought that the place was a marvel and that no one could come teach us anything, much less a capitalist. We had the opportunity to meet Juan, who as he himself says, used to be a worker. He has gone through it all. He is not a multinational capitalist, he is not a rich heir. He was a laborer, then had a small shop, and began his long apprenticeship. He knows all about factories.

We have them in other factories. There are other capitalists helping us. They are sharing their experience, teaching us how to organize a factory, how to train personnel, what a factory should be. We have lived in such isolation, so vain about our knowledge, so disparaging of anyone else's experience, that we are ignorant of what's happening in the rest of the world. We lacked experience. Who knows how many places we have like that? How many places need that experience? I think this is a lesson for communists, the fact that a businessman can talk to us about consciousness-raising among workers, about how to treat the workers; how the place should be organized, how it should be administered. He told us we had a lot of high-ranking leaders, too many generals and not enough officers, what he calls middle management, the people who ensure production.

The results are spectacular in that factory. I know he has a very high opinion of our party. He has said as much many times. He marvels at the work of the party. He says, we don't have the party in Spain. We have the party here. He says, we don't have a communist youth in Spain; here we do. I know he has a very high opinion of our youth, our workers. He says they are excellent people, capable of anything. This is something we should know. If we don't get rid of all that shoddy work, that disorganization, that chaos, that ignorance, we won't be able to have a modern industry.

You can see the results. We would have to spend $20 or $25 million in imports if we did not have that factory. We had it, but it wasn't working properly. I will tell you the truth. When I was there I didn't know if it was a place to breed poultry or a jail. I saw all sorts of dividers and wire mesh everywhere. I wondered what all the wire mesh was for. What a way to treat the workers! The reason was so that they would not steal. So that they would be able to control them. Imagine the moral and political atmosphere in that center, with all the absenteeism, all those factors.

Of course, it was a chance to have someone share his experience. Our party, our youth, our trade unions took care of the rest. They did good political work. Fortunately, they didn't have to send anyone away because they were not fully staffed. They were going to be. So, you can imagine—1,900 in a factory; transportation, housing, lunchrooms, and all that. What a difference when you only have half to produce six times more!

We have to find out what other factories have problems of this kind—chaos, disorder. I don't believe that they are all like that. That was a new factory.

But in this period we have been analyzing, we also had excellent factories. Socialist Vanguard was one of the best factories in the capital. It had a more proletarian spirit. It was the one that launched the minibrigade movement. The first minibrigades 17 years ago came from Socialist Vanguard. That was a source of pride. That factory collapsed. It turned into chaos during that period with the same problems of other places.

Enrique Varona was a good factory. But it too collapsed. How many more will if we do not adopt timely measures? I feel we should acquire from this the experience needed to take a big leap, a truly big leap. The report about the shipyards shows what can be done, what we

had, the savings in foreign exchange. And we need foreign exchange so badly. We discussed the fact that the factory saves from $20 to $25 million in foreign exchange. It is not only going to produce foreign exchange; it is not only going to meet demand, it is going to export products. Juan is also helping us there. He knows the markets. He knows about the quality an export requires.

It is said that we would have had to spend $25 million. But we didn't have the 25 million [dollars]! We couldn't spend anything. We would have been left without the houses. This industry is strategic for all our construction programs.

It is very satisfying, and quite a novelty, to have had no fears about having a Spanish businessman come here to help us. With the modesty of a revolutionary—which is what we should all have—with the modesty of a communist, I don't mind admitting that. I am very glad that we have shown our gratitude to our comrade—we can call him comrade—Juan Lopez. [applause]

Government To Invest in Turquino Plan

FL012322 Havana Radio Reloj Network in Spanish 2038 GMT 1 Dec 87

[By Cabrera Peinado]

[Text] The revolution will invest close to 54 million pesos through the year 1990 to construct social projects and develop the forestry and coffee sectors as part of the Turquino Plan for the total development of the mountain areas in Pinar del Rio.

This was discussed by delegates attending the third meeting of the people's government districts in the Rosario farm in Vinales Municipality.

Next year, with the participation of the population, 28 new family doctor homes will be constructed in the mountains, as well as 2 medical centers, stores, and other social projects. Of the budget approved for the mountain areas, 34 million pesos will be invested in the economic and production sector. More than 3 million pesos will be assigned to social projects and 16 million will be designated for construction of roads, highways, and other access routes.

Dominican Republic

Bosch on Hatian Situation, Border Closure

FL011632 Santo Domingo Radio Mil Network in Spanish 1100 GMT 1 Dec 87

[Text] Professor Juan Bosch, former constitutional president of the Republic, has asserted that no government should interfere in the Haitian crisis, which became more acute by the coup initiated be General Henri Namphy. Responding to Radio Mil Informando [name of newscast] reporters, Juan Bosch, president of the Dominican Liberation Party, said:

[Begin Bosch recording] Do not interfere in Haitian politics. Any Dominican who gets involved in Haitian politics is committing an improper and incorrect act [words indistinct] and we cannot ask that any government anywhere in the world attempt to impose its views upon the Haitian people. [end recording]

Professor Juan Bosch said Balaguer's decision to close the border with Haiti was the right one because this prevents the country from being invaded by thousands of Haitians. If they had no obstacles they would run immediately to the Dominican Republic, he said.

[Begin Bosch recording] It had to be closed because today, or even since last night, thousands and hundreds of thousand of Haitians would be running to the Dominican border since they have no other place to go. They cannot throw themselves in the ocean. [end recording]

Haiti

Sylvio Claude Calls for Outside Intervention

FL012136 Port-au-Prince Radio Metropole in Creole 1700 GMT 30 Nov 87

[Remarks by Pastor Sylvio Claude of the Haitian Christian Democratic Party, PDCH; date and place not given—recorded]

[Excerpts] I am once again speaking out in condemnation of the current National Government Council [CNG]. [passage omitted]

So what do we need to do now? Elections are not possible under the CNG. Everyone complains about macoutes, macoutes, macoutes. But who are the macoutes? The CNG! It is they who send people out to shoot. It is they who are doing everything that is being done. The CNG is responsible for everything that is happening. Whether it is one sector of the Army or another, it is still the CNG that condones everything that is going on. And what is even more serious is that they had just barely issued a communique saying they were taking all (?measures) to ensure security and ordering people not to carry weapons; now look at all the people who died yesterday! [passage omitted]

So what solution is left? The only solution left is for the CNG to leave power. There is no other solution.

Or else we need a multinational force! It is true that Haiti is independent. But in this case, call for the concerted action of several nations. Nations should protect one another when they are in danger. Therefore, we appeal to a multinational force—the United Nations or the OAS—to come in and hold elections if the CNG refuses to step down because we are not going to have elections under

the CNG the way it is now. There is no Haitian who will risk walking into a polling station now, because he knows someone will shoot at him! So elections are not at all possible under the CNG! [passage omitted]

We ask for the concerted action of other nations, for the OAS or the United Nations to send a multinational force to Haiti (?for elections) if the United States, who is the CNG's boss, cannot make them go away immediately. [passage omitted]

Terrorism Reportedly Continues in Capital

FL012151 Port-au-Prince Radio Metropole in French 1700 GMT 1 Dec 87

[Text] According to several residents of Carrefour Feuilles, armed bands shot and terrorized the neighborhood again last night. Several persons were arrested and taken in Army trucks to an unknown destination.

However, AFP was told by the Army General Headquarters that they had no information regarding the arrests in question.

One man was wounded by the armed groups in Carrefour Feuilles yesterday evening. Shots and bursts of automatic weapons fire were heard in other neighborhoods during the night, but the shooting was not as intense as that of earlier nights.

Many of the residents of Carrefour Feuilles and two other sections of town, which have also been the targets of intimidating actions, chose to leave the area carrying suitcases and bundles.

There was much more activity downtown this morning in comparison to yesterday morning, but many stores remain closed and schools are still not open.

Political Groups Express Support for CEP

FL012204 Port-au-Prince Radio Metropole in French 1700 GMT 1 Dec 87

[Text] The National Concerted Action Front [FNC] and the Movement for the Implementation of Democracy in Haiti [MIDH] have signed a joint communique condemning the acts of banditry aimed at thwarting the normal unfolding of the democratic elections which were to be held in Haiti for the first time on 29 November 1987.

The communique continues: The FNC and the MIDH strongly condemn the heavy-handed blow struck by the National Government Council [CNG] which removed the members of the Provisional Electoral Council [CEP]. The FNC and the MIDH think the CEP acted blamelessly and they reaffirm their full confidence in the CEP's organization and supervision of elections at all levels.

The communique is signed by MIDH Vice President Francois Benoit and FNC representative Dr Gilles Hendrick.

St Lucia

OECS Meeting Underway in Castries

FL261758 Bridgetown CANA in English 1616 GMT 26 Nov 87

[Text] Castries, St Lucia, Nov 26, CANA—The 12th summit of the Organisation of Eastern Caribbean States (OECS) opened here Wednesday with two of the seven governments pledging their firm, and unwaivering commitment to relentlessly pursuing political unity of the sub-region.

The promises came from the chairman, St. Lucia's Prime Minister John Compton, and his Grenada counterpart, Herbert Blaize, both of whom addressed last night's opening ceremony.

This meeting in St. Lucia must now ratify and take the declaration further along the road to fulfillment...Compton declared.

He rejected criticism that the governments have been moving too fast, and that people have not been told what form the proposed association would take.

This criticism is unworthy of any group which aspires to leadership. It is not a question of being told as it was in the pre-independence colonial days; it is a question of every group, every political party, and every organisation discussing and debating the idea and contributing to the end product which will be put into a constitution, Compton said.

Blaize said that every spectrum of political view involved in the discussion on the unity issue in Grenada was in support of moves towards the union.

However, he noted that people were asking questions and the leaders needed to provide the answers. He cautioned the other OECS leaders not to get caught up in the need to identify a specific date in 1987/88 for a referendum on the issue. If we provide the answers to the questions people are asking, then people would inquire what are you waiting for, they will push you into it, Blaize said.

He said that the leaders needed to make sure that when they reached the stage where people wanted the initiative because they were convinced its the right thing, nothing would stop the movement towards political unity of the eastern Caribbean.

However Compton appeared convinced that the leaders needed to agree on a terminal date, since the discussions on unity could not go on forever. Let us proceed with the consultation, but also let us fix a realistic date for the

termination of discussion and the reaching of a decision. He said there were issues which were fundamental, and must emerge from whatever recommendation on the form of union.

Compton said there must be a democracy, with elections at determined intervals; there must be one citizenship and freedom of movement. There must be enshrined in the constitution a bill of rights incorporating the fundamental rights and freedoms which we now enjoy, whatever form the association may take, be it unitary or federal, the government must have the powers to strengthen and promote the unity of its people and provide security of its borders, he said.

Compton identified another essential as the physical nature of the constituent units as island countries, which he said must be taken into consideration so that whatever form of government evolves from consultation, must be a substantial devolution of powers to the constituents units.

Petricioli on Inflation Rate Increase

PA011947 Mexico City EXCELSIOR in Spanish 21 Nov 87 pp 1a, 12a, 42a

[Article by S. Martinez and R. Hernandez]

[Excerpts] The free foreign exchange market operates with only one-fourth of all financial transactions. The lifting of restrictions of that market should not increase inflation. The Bank of Mexico foreign exchange measures were taken to protect international reserves and maintain control of currency. There was no flight of capital. If we had not taken those measures, we would now be forced to create another financing program for 1988.

That was the response given by Mexican Finance and Public Credit Secretary Gustavo Petricioli during his almost 11-hour appearance before the criticism and skepticism of Mexican legislators from eight opposition parties. We have control, and we are realistic, Petricioli said. "The crisis neither controlled nor discouraged us."

During the question-and-answer period and because of insistent statements concerning various financial and economic issues, Petricioli said that there will not be a moratorium or extreme measures against inflation. He added there will not be sudden increases in the dollar exchange rate and there will not be greater wage deterioration. On the contrary, there will be tax exemptions on salaries, and the Mexican economic plan will remained unaltered. [passage omitted]

Contrary to the statements made by PST [Socialist Workers Party] Deputy Genaro Jose Pineiro, Secretary Petricioli denied there has been flight of capital. The foreign exchange measures were adopted precisely to prevent 1.5, 2, or 3 billion [currency not specified] of Mexican reserves from leaving the country.

That is why we decided to take drastic action. I repeat, most Mexicans are not in the free foreign exchange market. They are, of course, affected by its changes because imports have an effect on prices. [passage omitted]

Petricioli told Pedro Penaloza that the increase of the free dollar does not necessarily entail greater inflation. To keep the market under control means guaranteeing prices of all goods will not have to change. There is no need for a price increase. There is no reason for that. [passage omitted]

Petricioli said that the problem is to maintain the lowest possible inflation rate at the highest rate of development along with a reactivation of production: jobs.

Secretary Petricioli rejected PAN [National Action Party] Deputy Ramirez Rebolledo's thesis that the government has given up its struggle against inflation. He said that during the last year of the current government the anti-inflation policy will be clearer and more severe, but compatible with economic recovery, employment growth, and the strengthening of the balance of payments, including capital and current account.

Petricioli added that prices and tariffs of the public sector will continue to be modified so they maintain their real value. We cannot fall behind the increase in the private sector, because that would represent a transfer of public resources that are already very scarce. With that measure, we would avoid inconvenient subsidies and an uncontrolled inflation increase. [passage omitted]

Briefs

Oil Price Reduction

As of 1 December, Mexico will reduce the oil barrel price by 28 cents. The oil involved is the one Mexico exports to European and American markets. The measure was taken by the Mexican oil foreign trade committee. [Summary] *[Mexico City XEW Television Network in Spanish 1300 GMT 28 Nov 87 PA]*

Trade Balance Figures

The Mexican trade balance registered a positive balance of $6.63 billion for the first 9 months of 1987. Similarly, the balance of payments for the same period was also favorable. These figures were presented in the economy development report issued by the Mexican Finance and Public Credit Secretariat. [Summary] *[Mexico City EL NACIONAL in Spanish 25 Nov 87 p 3 PA]*

Costa Rica

Sarney Briefs Arias on Group of 8 Meeting

PY301919 Madrid EFE in Spanish 0421 GMT 30 Nov 87

[Text] San Jose, Costa Rica, 29 Nov (EFE)—Brazilian President Jose Sarney today said here that his country is willing to make "every necessary effort" to attain peace in Central America.

After participating in a summit in Acapulco with the presidents of Mexico, Panama, Venezuela, Colombia, Peru, Uruguay, and Argentina, Sarney made a 3-hour stopover in Costa Rica at the invitation of President Oscar Arias.

"Brazil supports all efforts to attain peace in Central America and it is willing to make every necessary effort to reach a political agreement in the region," President Sarney said tonight before returning home.

The Brazilian president, who was accompanied by Brazilian Foreign Minister Roberto de Abreu Sodre, said he has taken this opportunity to personally greet the winner of the 1987 Nobel Peace Prize, President Oscar Arias, "who honors all Latin America."

He also said that he has come to inform President Arias of the discussions on Central America at the Group of Eight summit that took place in Acapulco on 26 and 27 November.

"I have taken this opportunity to tell President Arias that not only the international organizations, but also Brazil, support his peace efforts," Sarney, 57, stated in a news conference after meeting with the Costa Rican president.

He added that "decisive" steps were taken in Acapulco toward economic and political support for the reconstruction and establishment of peace in Central America.

He said that these points will be analyzed in the meeting of the International Verification and Follow-Up Commission (CIVS), which will take place in New York on 4 December. The CIVS is made up of the foreign ministers of the Contadora Group, the Contadora Support Group, and Central American countries, and the OAS and UN secretaries general.

Sarney, who assumed power on 15 November 1985, explained that the Acapulco summit represents the effort by the eight countries to seek formulas for regional understanding and to resolve common problems, like the foreign debt, which amounts to approximately $400 billion.

"It was not a summit against any country, but in favor of Latin America. We have the same problems and we must seek joint solutions," Sarney said.

Arias Meets Spanish Deputy Prime Minister

LD011833 Madrid Domestic Service in Spanish 1300 GMT 1 Dec 87

[Text] Today, together with representatives from many countries, Spanish Deputy Prime Minister Alfonso Guerra is attending ceremonies commemorating the abolition of the Costa Rican Army, a decision made 39 years ago. During his visit to San Jose Alfonso Guerra met with the Central American vice presidents and signed a joint communique. On behalf of the Spanish Government Alfonso Guerra obtained a commitment to support the elections due to be held to elect the Central American parliament, and he promised to seek EEC cooperation to consolidate the peace and development process in the region.

The Spanish deputy prime minister also had a long meeting with President Oscar Arias, promoter of the peace plan and recent winner of the Nobel Peace Prize. At a joint news conference they agreed that inflexibility and intolerance are the main obstacles to peace in Central America.

El Salvador

Zamora, Ungo, Oqueli on Current Situation

PA011606 San Salvador TCS Television in Spanish 1230 GMT 26 Nov 87

[Interview with FDR leaders Guillermo Manuel Ungo, Ruben Zamora, and Hector Oqueli Colindres by unidentified reporters in San Salvador; date not given—live or recorded]

[Text] [Reporter] Good morning, Dr Zamora; good morning, Dr Ungo and Dr Oqueli. Let us begin with the topics we have here. First, there are many doubts regarding the time you will remain in the country. Are you going to remain in the country indefinitely or are you going to stay here only for a short time? If you will be in the country for only a short time, when are you planning to return?

[Zamora] This is part of a process in which we are uniting our political organizations in the country and the people's struggles. We cannot do this immediately; we are doing it step by step after considering the circumstances and possibilities. However, this is not just a single visit. This is part of a process to participate permanently in the country's politics.

[Reporter] Are you going to stay in the country for good?

[Ungo] Not on this first occasion. We are coordinating our visits. We are part of two political organizations that belong to an alliance, which have their own autonomy and their own ways to grow and develop. In general, it will be a brief visit, but we are not necessarily going to leave at the same time, just as we did not arrive at the same time.

[Reporter] Dr Ungo, upon your arrival it was said that you were bringing a new dialogue proposal; today we have learned that the president has rejected such a dialogue proposal. What options are there to find a political solution to the conflict?

[Ungo] To keep working in favor of a dialogue. The dialogue was suspended on 3 November 1984. We will continue to promote a dialogue. The Esquipulas II agreements, which were signed by the presidents, brought about this new possibility. Costa Rican President Oscar Arias' efforts contributed to the reopening of the talks nearly 3 years later. The dialogue was suspended because the government wanted it to be. The best way to break off a dialogue is to place conditions on it. President Duarte is again placing conditions on the renewal of the talks; however, I believe he has to reconsider it because he has signed the Esquipulas II agreements. The Esquipulas II process has begun and has not yet ended. President Sanguinetti was very clear when he mentioned this situation. Otherwise, the government will not be well off because it would have failed to comply with the Esquipulas agreements.

[Reporter] However, the president has said you will have to accept amnesty. This topic has been extensively debated.

[Oqueli] I believe the amnesty problem has to be seen in the following way: We left the country because of violence in the country. We have not been formally asked to go into exile or to go on trial. Consequently, if we accepted amnesty it would be like granting a certain legal status to the so-called death squads. Moreover, they could have tried us in our absence if we had committed any crime. In addition, amnesty is a right, and there is no need to accept amnesty.

[Reporter] When mentioning the talks Father Ejacuria said there is a contradiction between the need and the practical impossibility of the dialogues. He also said there has been no national dialogue because of the difficulty of the matter and because the mediators, in this case the archbishop's curia, has not done its job right. What are your thoughts on this?

[Zamora] We feel a dialogue is the only way out for this country. Otherwise, we would continue living under this situation of conflict without a possibility to recover at the national level. As for the role of the mediator, we must say that in the Salvadoran conflict the role of a mediator is not an easy one. We believe the archbishop has made serious and constant efforts. He has consistently spoken in favor of a dialogue, even when few people in El Salvador talked about this. I believe that in this regard he has played a positive role. We have told him in the meetings we have held that we would like a more active role from the church in the mediation process. However, in this regard we must respect the role of Msgr Rivera, and we must know that as a mediator he must be impartial in the eyes of everyone.

[Ungo] I would like to add something important regarding the contradiction mentioned by Father Ejacuria. When President Duarte rejects the continuation of the talks we will have established two commissions especially for this. They want to take advantage of a suspension of the talks called for by the FMLN. They want to use it as a pretext to suspend it indefinitely while proposing, with the support of the FMLN, to continue the talks. [sentence as heard]

What I want to point out is that we have come across certain objective concurrences; now that it is possible to arrive at certain agreements the governments shies away from them. The concurrences I was mentioning—in the unilateral cease-fire decreed by the Salvadoran Government it was proposed and accepted to restrict or eliminate the aerial bombings and long-range artillery shellings. In exchange, the FMLN was asked to end the economic sabotage, which was eliminated. This is precisely what we proposed at the apostolic nuncio and that the government refused to discuss. Now we have on the table some points that can be concurred with, which would move the dialogue process ahead.

[Reporter] Why is it that each time we speak of points of concurrence we get the impression they have been really more like points of disagreement? There is the case of mutual accusations that the government is really using a tactical dialogue—that deep down it does not really want to discuss things and that it follows U.S. schemes. All of you are also accused of using tactical dialogue. Faced with this, I believe that the people themselves are the ones who suffer the consequences, and the people start losing hope on reaching peace. How could an agreement be reached?

[Oqueli] To overcome this we have made a very specific proposal, which I cannot disclose, through the intermediary, Msgr Arturo Rivera y Damas. Unfortunately, the reply we have received from the archbishop on this proposal, which is aimed at trying to reach agreements that would allow us to overcome this impasse situation in the dialogue, has not been positive by the government. The government is really trying to take advantage of the excuse of the suspension of the dialogue to try to postpone it indefinitely. Our position is that we believe we can reach very definite agreements. We have points of agreement on the way the dialogue process has developed, there has been a desire to continue the talks, but once we get down to definite things it seems like the government wants to escape through an easy door, slide out, and not agree to anything.

[Reporter] One of the most polemical points is your relationship with the FMLN. You have always been pressured to publicly disassociate yourself from that group, but you have said that you are allied with the FMLN. Could you clarify what this alliance means?

[Zamora] I believe we must view this from a political standpoint, because our alliance has a political nature. First, in El Salvador we all say that a political solution to achieve peace is needed. We are working to achieve that peaceful political solution in the country. Second, everybody also acknowledges that the FMLN is a necessary ingredient in reaching a political solution. Regardless of how good agreements reached are, if the FMLN continues to fire its weapons there is no solution.

If we are going to work for a political solution and if the FMLN is a necessary ingredient to achieve that political solution, the most absurd action—politically speaking—would be to break with the FMLN in our efforts to achieve a political solution.

I believe this would not benefit the country; quite the contrary, it would be retrogressive. We have an alliance. What is our alliance based on? An alliance is a political agreement, an agreement between two sides.

What do we agree on with the FDR and FMLN? What is the basis of our alliance? We agree on a basic thing: Our country needs a negotiated political solution; our country needs a solution involving not only the FDR and FMLN, but the largest possible number of forces.

Those are the fundamental bases of an agreement allowing us to work toward this objective.

[Reporter] Let us assume that you will participate... [changes thought] There are conditions to participate in the elections, not in this election but in upcoming ones when you feel conditions are present and you participate as the Democratic Convergence, which was joined by Dr Mario Remi Roldan, whom we had here yesterday. If the FMLN staged violent actions would you condemn such actions?

[Ungo] It is not a matter of approving or condemning something. There is a political reality: we are facing a war, a war that is deepening and lengthening. There are many factors and causes involved. One of the main factors prolonging the war is the external factor: the interventionist war policy of the U.S. Government.

This is related to Esquipulas II. President Duarte is using Esquipulas II as an instrument to achieve a military and political victory. Esquipulas II does not seek a political surrender from us; in the political area Esquipulas II is demanding quite the contrary from nonarmed organizations such as ours: it is encouraging and promoting a democratization process involving more participation on our part. Otherwise, the objective would be to seek our political defeat through Esquipulas II. Duarte is even asking countries to not grant us asylum, which is a sacred Latin American right.

[Reporter] You mean the president of the Republic is not offering a sincere dialogue?

[Ungo] In this case the need is more important than sincerity. I believe we could reach certain political agreements. Militarily speaking, I have been selling the idea that this will militarily weaken the FMLN to impose a military victory. [sentence as heard] Esquipulas seeks a negotiated peace.

We need the two sides to decrease military actions. There is a commitment contained in the Contadora document that was adopted by Esquipulas II: Governments should decrease their military arsenals instead of maintaining and increasing their armaments. This is important to us because if the two sides gradually decrease their military might they will give way to paths of peace and negotiation.

It is very difficult to hold genuine elections with all political facilities and freedoms while a war is taking place. It is not a matter of saying long live or end the war. What we need are positive and constructive proposals; we need to know which government plans will be implemented.

We have shown our support for elections even with President Duarte and the Christian Democratic Party when votes did not count or were not counted; when they meant persecution, imprisonment, and exile. We have an inclination and willingness to participate in elections, but in elections involving democratic participation. Our main task presently is to foresee fulfillment of the Esquipulas II agreements' mandates regarding democratization of the country. There can be debates or political clashes, but through political, democratic, or social coexistence means.

If this is achieved I believe that participation in elections is a necessary and obligatory consequence. Otherwise, the parties die. However, at this moment this is our principal task. Afterwards we will look for the way to participate either through a convergence or through other, broader expressions. We believe that the reality of the country, the needs of the country, require a national consensus that is as broad as possible. In addition, we should find whatever unites us, where we concur, rather than what divides us. I believe later we should discuss more whatever separates us, but this is not the time for division.

[Reporter] One of our guests in the "Face to Face" session mentioned what he called the preparatory phase of the strategic counteroffensive, described in a document drafted by the FMLN General Command. In that document he mentioned that there were nine courses of action. He referred specifically to line six of that document entitled: "Struggle for the Legitimization of the Direct Participation of the FDR in the Interior of the Country." He said your arrival in the country was related to this. What can you tell us about this?

[Oqueli] I believe, of course, that it is easy to hide behind arguments based on secret information. We are talking about a fundamental problem this country has: the war. We want to find a negotiated political solution to the conflict. What we are doing is exclusively in response to the interests of our organizations—the National Revolutionary Movement and the Social Christian People's Movement. We believe we have the right to exercise political activities in the country based on what the country's Constitution—approved many years ago—says and on what is established in international human rights treaties El Salvador is obliged to respect.

This is the sole reason for trying to have political participation in El Salvador. We have an association based on common positions with the Social Democratic Party. I would not be surprised if within the next few days some people say this is also part of a line of action that could [words indistinct].

[Reporter] Are you challenging the validity of that document?

[Zamora] We do not know if the document is authentic or not, but, not withstanding this, what we are saying is that we decided to come and to work and to stay in the country as political elements. We made the decision; it is our responsibility. We have asked for no one's permission. In this sense we [words indistinct], and the activities we are carrying out in this country are political activities. I believe [words indistinct] they will realize what we are doing in El Salvador and what we will continue to do in El Salvador.

[Reporter] You, of course, have had contact with popular organizations and with the people. What positive and negative factors do you find in the El Salvador of today, considering that you left the country in 1979, 1980?

[Oqueli] I believe there are positive and negative aspects. Let's begin with the negative ones, briefly. The economic situation has deeply deteriorated, in comparison with the 1970's. Our country has had a 20-year setback in terms of per capita income. We are now at the same level that existed in 1966 and 1967.

Society has been greatly disrupted. Twenty percent of our population is now comprised of either displaced people or refugees. These are negative aspects, a regression in terms of investments in our country, because [words indistinct] very big. This is on the negative side.

But there are positive aspects, too. We have found workers' movements of various ideological positions to be struggling for recovery. This is positive. We have also found more awareness of the need to find political solutions [words indistinct], for example, and this is positive.

We have also noticed in the few days we have been in El Salvador that political debates are now of a better quality than those we had here in the 1970's. The media has played an important role in promoting these debates, and this is also positive. So there are positive and negative aspects.

[Reporter] What about the Army's attitude?

[Ungo] It is my impression that this attitude [words indistinct] a deepening of the war [words indistinct] positive attitude of the Army in the heat of battle. This leads to a psychological propensity for confrontation. I believe that all this can change, and surely there is [words indistinct] for political agreement—all this because of the tragic experience they had in 1979. The situation changed. It was unfavorable at the end of General Romero's government. It turned favorable and positive [words indistinct].

I believe, for example, that the presence of [words indistinct]. I believe this will permit more communication within the Army. I believe there is another aspect that is negative [words indistinct] the intervention syndrome. I do not think it is a syndrome; it is a fact, a fact that keeps all Salvadorans—regardless of ideological and social positions—in [word indistinct].

The country has been subject to intervention. This is a country where economic, political, military, and diplomatic decisions are made in Washington, not in San Salvador. This is one of the points on which all ideological and political sectors very much agree: It is necessary to recover our national dignity and our national sovereignty.

[Reporter] Regarding the economic situation you mentioned [words indistinct] intervention, how would you get our economy going?

[Oqueli] We have talked about a political solution, not only to put an end to the war, but also to resolve the country's fundamental problems. El Salvador's second most important problem is its disastrous economic situation. Of course we cannot announce an economic reactivation plan or a social and economic development plan because first there must be a political willingness to end the war. I believe it is important to emphasize that the first problem to resolve is to meet the huge needs of our country's majorities. We do not have to govern favoring the minorities. We have to govern for the majority of the Salvadoran people. Because of this, minimum salaries must be restructured, labor policies must promote employment and overcome the disastrous unemployment and underemployment in the country, and efforts must be made to resolve the housing problem, especially the one that resulted from the earthquake that rocked San Salvador. It is also necessary to try to resolve health problems, etc.

We all know, for example, that the budgets for public health, education, etc. have been cut because of the armed conflict in the country. Consequently, these areas need to be strengthened to resolve the disastrous economic and social situation we are faced with.

Each soldier costs the country $5,250 per year. Almost 50 percent of the national budget is used directly or indirectly to subsidize the conflict, and I believe we must overcome this situation.

[Reporter] Regarding the democratic merger, some people have said that it is only comprised of intellectuals. What are your plans for allowing the participation of the country's labor and business sectors?

[Oqueli] Generally speaking the political party directorates are composed of a large percentage of professionals, and this is not only true of my party, but of many parties—the Liberation [Party], the PCN [National Conciliation Party], ARENA [Nationalist Republican Alliance], and the PDC [Christian Democratic Party]. Now, we do not accept the statement to the effect that our party is only comprised of an intellectual elite. Most of our people are of popular extraction; we are interested in this popular sector's participation in our political life and would like to see their participation grow as much as possible.

We are also very interested in the business sector we know exists in this country. They are people who have social awareness; they are aware of the country's interests and the need to find solutions. We would like to see them make an effort to participate in politics; and were they to participate in our organizations I believe they would do some good, not only for the country, but also for our organizations, because they would contribute a new, different, and, I believe, an interesting point of view. I believe their participation would be very positive for all of us. Our ideas and our efforts are aimed at broadening political participation in the merger and in our organizations as much as possible to include a wide range of sectors.

[Reporter] Dr Zamora, there is concern among the people and government—the latter has stated this—regarding your stay in the country. There have already been reports of the attempted murder of Dr Mario Reni Roldan. There are different opinions, however, regarding who would attempt to perpetrate actions so negative for the country and who would benefit, if a murder can be described as a benefit for anyone. With regard to this, there has been talk of death squads, and the government and some opposition sectors have also spoken about left-wing death squads seeking martyrs. Could you explain this situation?

[Zamora] I have said in the past that, in the first place, if it were said that our lives were in danger of a leftist attack—from the FMLN, to call it by its name—I would still feel very safe in this country, because I do not believe the FMLN will threaten our lives. However, I do not want to make the same serious mistake that Engineeer Duarte has made of blaming people for things that have not yet happened. In this country now, when Napoleon Duarte says: I am afraid that the left wing will murder Guillermo Ungo and Ruben Zamora—what political effect does this have? The death squads feel they have been given the nod and are free to attack us. Why? Because the president named the guilty party before the action was perpetrated.

This type of irresponsible statement cannot be made in this country, and, in my opinion, what we must do is struggle to overcome this state of political violence in our country and struggle to not promote a state of physical violence through verbal incitement. This is my position.

[Reporter] Dr Ungo, Mr Barrera [not further identified] said here on "Face to Face" that your arrival in the country may be a reflection of international pressure from the groups that once provided you with economic assistance. He even said that your international representation, your diplomatic delegates abroad, had been withdrawn and that this clearly reflects a fear of international isolation as a result of Esquipulas II. What is the situation now?

[Ungo] That is very clear. The country's problems, the human rights situation, the exclusion from political activity through repression, the recent rejection expressed at the Socialist International meeting in Dakar, Senegal, and in particular one of the main paragraphs—which was even reproduced in some newspapers here—persuaded the government to fulfill the Guatemala agreement and to acknowledge the need for political parties and democratic and progressive organizations to participate in national life.

Therefore, we have contributed to the democratization of life in El Salvador, and this is fully in accordance with our intentions. You may recall that for many years we tried to increase our presence in the country, we tried to send representatives or delegates to attend peace forum events, and the government prevented this through the [words indistinct]. We know this double standard cannot continue. The government must adopt a clear, unequivocal position that will allow our political participation in the development of a democratic process, or it will only be speaking insincerely. We are the ones who are contributing most to generating conditions for democratic participation in the country, not the government.

At this moment things are not going well, but we must also admit that despite all the problems the government is facing as a result of its own weakness and because of us, a series of activities is still being carried out in a satisfactory manner.

[Reporter] Dr Zamora, the vice president left a message for you and I believe it was conveyed publicly. I spoke with Vice President Rodolfo Antonio Castillo Claramount regarding complicity with violent actions in this country. He said: Ask Ruben Zamora. He said this on the air, not [words indistinct] off camera: Ask Ruben Zamora. It is taped here, he said, when he called to say that it was the FDR-FMLN that perpetrated the Zona Rosa murders. Ask him if this is not complicity.

[Zamora] I would like to answer with a question, but I will answer with a statement. It looks as if the president... [corrects himself] the vice president of the Republic does not read the newspapers, because if he had been interested in reading them he would have read that immediately after the Zona Rosa incident my party—officially and in writing, especially in the newspapers—condemned it.

[Reporter] Isn't there a recording of your voice, Doctor?

[Zamora] There can be no recording of that kind [words indistinct]. We disagree with that.

[Reporter] Dr Ungo, President Duarte's government, in pointing out its merits and the progress of democracy in the country, refers to freedom of the press. Do you believe that there has been some progress in this regard in the country and that the government really deserves credit for this?

[Ungo] When I left the country there was not this kind of news and commentaries on national events. [Words indistinct] I would say that credit should go to the media. It is they who have been gaining ground, improving their techniques and their policies in a democratic and pluralistic way. [Passage indistinct] I would also say they have done this despite the government.

This is also happening in Chile. Politicians who had been persecuted and exiled are returning and speaking out in the media. [Words indistinct] the 3-year development. In this country there is no longer martial law. The government has claimed credit for this, but this has to be credited to the right because rightist parties voted against extending the martial law period.

Thus, [words indistinct] to put things in black and white. There is the need for [words indistinct] this freedom of the press for some people because we do not have access to certain media, especially the written media. I am not going to mention any names, but it would suffice to read the media. International delegates have come and [words indistinct] democrats. [Words indistinct] representatives of religions. [Words indistinct] verbal violence and of the [words indistinct] and false reports in the media.

[Reporter] Would this then be another element that could facilitate your political participation in the country at this time?

[Zamora] Definitely. In this regard we want to acknowledge news services such as yours and other television stations, and the radio, especially, because the development of the media is quite surprising and very positive.

[Reporter] I would like to discuss a topic that has been called by some a smokescreen, by others hard facts, and by others a farce. There is this charge against Major D'Aubuisson and Captain Sanabria regarding the assassination of Msgr Romero. What is your personal opinion on this?

[Zamora] I believe that the killing of Msgr Romero is something that should be investigated to find the guilty parties. This should be done first because a crime was indeed committed and second because of what Msgr Romero meant and still means to this country. This [words indistinct] and other crimes should also be investigated. Regarding the specific situation, I believe that if there is specific evidence against a particular person the problem should be handled legally and should not be used politically, especially if the campaign is [words indistinct].

This is my personal concern. I remember that in the most recent elections the case of Msgr Romero was stirred up again. It was said that there were witnesses, that the investigations were advancing. However, as soon as the elections were over the government once again forgot about Msgr Romero's case.

This sounds very much like the famous case of Regalado, who, in the 1960's, whenever there was an election, produced witnesses in a case of [words indistinct] the Christian Democratic [words indistinct]. This is dangerous. This harms the administration of justice in the country, and this is no good for the country. This is my personal concern. I do not wish to pass judgment. If there is evidence against any particular citizen let them present it in court and let the court handle the case with seriousness so that the people are satisfied that this crime committed against all of El Salvador is solved.

[Reporter] Dr Oqueli?

[Oqueli] I believe the government must have known for the past 7 years who committed the crime. I believe with Dr Zamora that this case should not be brought up from time to time depending on political circumstances. The crime committed against Msgr Romero is reprehensible, and the people repudiate whoever murdered him. I believe the situation should be cleared up and that the government has known for 7 years who committed the crime.

[Reporter] Dr Ungo?

[Ungo] I have nothing to add to what has been said. I completely agree with what Comrades Zamora and Oqueli have said.

I would only like to point out that the issue does not only relate to this. The repression in El Salvador has left a toll of over 60,000 victims, and tomorrow will be the anniversary for several comrades who were very dear to us and dear to important sectors of Salvadoran society, beginning with Enrique Alvarez Cordova, former FDR president. I think this is also a good opportunity to show a willingness to do justice and to report on the status of the investigations on all of these murders.

[Reporter] There is talk of a political merger, and you individually represent one of the political parties in this merger. On what points do you converge or agree and on what points do you differ?

[Zamora] As we said before, we have always insisted that we must [words indistinct] the points of agreement. That is why it is called a merger. In a nutshell I would say that we have agreed to analyze the situation in the country on the basis of four fundamental problems. These are:

1. Social injustice, which is very deep in our country. Whenever our country has prospered a minority and not the majority has benefited from this growth.

2. There is no real democracy in our country. On the contrary, the serious violations of human rights continue and there are no freedoms.

3. Our country is in a state of war that is damaging Salvadoran society and must be overcome.

4. Our country has lost its decisionmaking power to the degree that the government has ceded such power to the United States.

We have agreed on these four problems. I would like Dr Ungo to talk about this, too.

[Ungo] This is not a static but a dynamic situation. We do not intend this to be an exclusive merger. Our first task should be to improve it, to perfect it, and to consolidate it; and our second task—which can go hand in hand with the first—is to expand it, to seek a consensus with other sectors. It can be expressed through the same means or through other means more flexible and more attuned to the needs and characteristics of each political or social organization.

For instance, we have not yet talked with the PCN. We could talk with them. They raise points that largely coincide with ours. That is, the PCN talks about a government of national consensus.

Therefore, we find that there may be common grounds for us to reach understanding on one, two, three, or five points. We think that this would not be enough and that we will need more points of concurrence and that, at the same time, we will have to expand or widen some of these understandings [words indistinct] concurrence or more fluid mechanisms, less organic, less functional, but which can lead us to what we regard as fundamental—a national consensus. Without a broad, solid, and majority agreement we will not be able to resolve such complex and profound problems such as the war itself and [words indistinct] the political, social, and economic crisis.

[Reporter] Journalists at a hotel in our capital have told us a schism is apparently beginning to develop, not at the level of the FDR leadership but at the level of the followers and collaborators of the FDR leadership. They clearly said it was not at the leadership level, but at the level of the collaborators.

[Oqueli] Well, I think that, basically, the situation is as follows: It is a (?visit); the first one. It is a complex one. There have been basic organizational problems in determining programs and places for the various types of activities we wanted to carry out, etc., and that is basically what has happened; but there is no division.

[Reporter] Thank you very much. I would like to end this interview simply by citing one of the statements you made. You said that this is no time for division. I think that is a very interesting phrase and one appropriate for all Salvadorans to hold close to their hearts, because they are hoping to have a better holiday season after such a long period of violence.

[Ungo, Zamora, Oqueli] Thank you very much.

[Reporter] These microphones are open for the next time when we can continue talking about many things that have not yet been discussed.

Zamora Comments on Solution to Crisis

PA020449 San Salvador Canal Doce Television in Spanish 0300 GMT 26 Nov 87

[Report by Mauricio Antunez]

[Text] The democratic unity sought by the FDR does not exclude the moderate right-wing forces in the country, Ruben Zamora stated this morning at the National University:

[Begin Zamora recording] There has been an awareness in the country in the past 2 or 3 years regarding the need to promote a politically negotiated solution to the conflict in this country. This awareness exists not only among the humble people, the workers, and the peasants, but also among the middle class and the professional sectors, even in some sectors of the bourgeoisie. [end recording]

According to Ruben Zamora, the solution to the conflict in the country must be based on a policy of pluralistic alliance that would search for the minimum necessary conditions to allow for the unification of all Salvadoran forces.

It is a mistake, Zamora emphasized, to believe that the solution to the national crisis is in the hands of just one political force, excluding other political forces:

[Begin Zamora recording] The national solution in El Salvador, in 1987, 1988, or 1989, must be a solution involving a coalition of national forces, an alliance and unity among the various national forces, because one of them alone cannot [provide a solution]. The best evidence of this is the Christian Democracy and the Salvadoran Government. [applause] [end recording]

During a speech at the National University, in the law school auditorium, Zamora outlined the six points of the FDR political plan for resolving the current crisis.

For the FDR it is necessary to find a national solution in which the various forces in the country would be allowed to coexist. Zamora added that it is impossible to allow a negative and vengeful attitude to prevail, in which one of the forces is left out, only because that force is currently holding power. The Social Christian leader also pointed to the need to respect human rights, to reach an agreement [words indistinct] that would permit the improvement of living conditions and the favorable development of political conditions to reach a negotiated cease-fire, which, of course, does not include the surrendering of one of the two armies in conflict.

Guatemala

URNG General Command Issues Peace Proposal

PA011455 Guatemala City PRENSA LIBRE in Spanish 25 Nov 87 p 29

["Proposal for Democratization and Peace" issued by the URNG General Command in Guatemala; dated November 1987]

[Text] The first official and public talks between the URNG and the Guatemalan Government were held 7-9 October in Madrid, Spain, with the Spanish Government acting as host.

This event, which both inside the country and abroad has been described by various sectors and political forces as historic and highly positive, created expectations regarding the need and desires of those of us who want to see Guatemala with real and total democracy, peace, and political, economic, and social justice.

Those talks were the result of a long process of political and military struggle. President Cerezo's government had to participate in those talks contravening the antidemocratic right and the Army, which has tried to hide the country's current reality and the internal armed conflict.

The talks between the URNG and the government once again showed the contradictions between the various groups in power. The Army, which regards politics as a way to conceal its war against the people, wanted to prevent the talks at any cost, by trying to make the national and international public believe that it was a propaganda stunt by the URNG. The antidemocratic, antinational, and terrorist right did everything it could to frighten the Armed Forces by warning them about their possible dissolution if they accepted a dialogue with the URNG. On several occasions the U.S. Government has voiced its opposition to a dialogue with the revolutionary leaders.

The Army, the wealthy groups, and the U.S. Government, as the decisive and stable sectors of power, have conferred the Christian Democracy a small space in making decisions concerning the political situation. In other words, Christian Democracy can only act with their concurrence.

The lack of confidence the Army and the antidemocratic and repressive sectors have in the government became evident in Madrid, with their presence in the talks.

The presence of military advisers as part of the governmental delegation was to ensure that the civilians faithfully expressed the Army's plans. They had no political shame whatsoever in openly showing the subordination to military power.

In addition, the Army has shown that it has no respect for the president, the government, or the Congress by imposing—sometimes with advanced statements—its criteria and decisions.

The Army has carried out large offensives and all kinds of repressive operations against all the sectors of our population, particularly in the areas of conflict: San Marcos, Quetzaltenango, Solola, Chimaltenango, Huehuetenango, El Quiche, Alta Verapaz, and El Peten; including bombing and raiding towns. It also published its proposals during the talks while at the same time it launched a campaign of disinformation and manipulation of the national and international public. This showed its real intentions and purposes.

The URNG's position has been clear and precise. The government delegation expressed its views within the framework of democratic, legal, and formal concepts that contradicted the foundations of a real democracy as proposed by the URNG delegation.

The URNG stressed and emphasized its position on the basis for building a democracy; in other words, the necessary conditions to begin a real democratization process. It is a reality that while those conditions do not exist there will be no real democracy. It is also true that this will only be possible through political decisions and the ability to make and implement those decisions in daily political life.

We have stated that the Esquipulas II agreements are the basis that enable us to advance toward Central American pacification and democratization. We believe that as a global procedure it should be interpreted and placed into practice according to each country's realities, within the Latin Americanist spirit of the Contadora and its Support Group's framework, and taking an independent position when confronted with the American Government's policies.

With a spirit to fulfill the Esquipulas II agreement, the URNG made the following proposal in Madrid:

For Guatemala, we consider the following measures to be essential and basic, because they are the bases for a real resolution of the main problems preventing the attainment of peace:

1. Conditions and requirements for the country's democratization.

1.1.

—dismantling the structures for control of the population.

—civil self-defense patrols.

—model hamlets.

—development poles.

—full guarantee of free movement in the countryside.

1.2.

—full respect for human rights and an effective and verifiable reorganization of the repressive apparatus, which entails:

—eliminating forced disappearances.

—eliminating clandestine jails.

—ending extrajudicial orders.

—respecting human integrity and eliminating torture.

—respecting individuals' economic and social rights. (Right to work, education, health, and housing.)

1.3. Clarification and definition of the responsibilities for the 38,000 prisoners who have disappeared.

1.4. Total and unlimited respect for the people's freedom to organize.

1.5. We view the previous elements as essential for the existence of a real system of law.

2. To take the first step toward a cease-fire by establishing between the URNG and the government a commitment to humanize the domestic conflict to prevent sacrifices on the part of the civilian population, on the basis of the Geneva treaties and under the supervision of the National Reconciliation Commission.

3. To hold a national dialogue with all the political and social forces. Its objective will be to lay the groundwork for a national agreement to guarantee the construction of peace and democracy and to promote the country's independent development.

4. To create the conditions for that national agreement; as a test of the URNG's good faith and political will we propose, concerning the cease-fire contemplated within the framework of Esquipulas II, the following proposal, based on the fact that the nature of the Guatemalan domestic armed conflict needs more complex and in-depth solutions.

CONCRETE PROPOSAL [subhead]

A. To make feasible the construction of democracy and the achievement of peace throughout Guatemala we would accept the establishment of a cease-fire period. This cease-fire must be established within strictly defined and precise time periods. This does not mean either surrender or abandonment of weapons or of the zones and regions where the revolutionary movement, led by the URNG, currently undertakes its operations or has influence.

B. To establish intermediate demilitarized zones between the areas of conflict and controlled territories. Geographic areas must be established where neither URNG military units nor those of the government Army will operate, as a real guarantee for the cease-fire.

C. To establish exact dates for the implementation of the measures dealing with democratization, which are the only real bases for the country's pacification. That would guarantee the country is taking the path to democratic development.

Those dates and terms would be verified by the National Reconciliation Commission.

The government delegation promised that the Guatemalan Government would officially reply to the proposal.

Nevertheless, once again the Army spokesmen hurried to say that they did not accept the proposal and that the talks were suspended. President Cerezo subsequently said the same thing.

The unilateral suspension of the talks by the Army and the government are one more piece of proof of the lack of will and seriousness to deal with the national problems and their false desire, which they have proclaimed, for peace and democracy for Guatemala.

The URNG maintains its proposal and hopes that the Army and the government will rectify their position.

The General Command calls on the workers, Indians, peasants, workers of government and private institutions, students, intellectuals, and professionals to express support for a national dialogue to build democracy and achieve peace.

We call on the church and all Christian sectors to also work to find a political solution to the democratic armed conflict.

We also call on the democratic and progressive political parties, forces, and individuals to demand true democratization and struggle for the country's demilitarization and for the minimum conditions for a great national dialogue.

We also call on the honest and patriotic soldiers to express support for the changes that will make possible the construction of real democracy and the achievement of peace.

The URNG General Command also calls on the industrialists, merchants, and agricultural producers who identify with the national interests to participate in this effort for independence, progress, and peace.

All together on this path, we can begin the construction of a more just and humane society with economic, political, and social development. For this objective we need to create the biggest alliance of revolutionary, democratic, popular, patriotic, and progressive forces and to jointly seek a resolution of the crisis and the domestic armed conflict.

URNG General Command

Guatemala, November 1987

Nicaragua

Contras Present Proposal on Cease-Fire

PA020112 Hamburg DPA in Spanish 2343 GMT 1 Dec 87

[Text] Managua, 1 Dec (DPA)—The anti-Sandinist rebels have proposed a cease-fire between 8 December and 17 January to the Sandinist government in order to establish negotiations aimed at achieving a cease-fire in the war which has led to more than 48,000 casualties over the past 6 years.

The "contra" negotiating proposal was broadcast today by "Nicaraguan Resistance" [RN] leader Pedro Joaquin Chamorro Barrios on the "Events" radio newscast aired on the privately owned "Radio Noticias" station in the Nicaraguan capital.

The proposal presented by Daniel Ortega's government and the "contras" will be discussed by delegations from both sides with the mediation of Cardinal Miguel Obando y Bravo on Thursday in the Dominican Republic.

The text of the proposal is the following:

1. The Nicaraguan Resistance has decided to negotiate a cease-fire in the entire national territory with the Sandinist regime. The cease-fire will be implemented as of 1200 GMT on 8 December 1987 and will last until 17 January 1988.

Simultaneously with the implementation of the cease-fire, the Sandinist regime, in accordance with the stipulations made in "Esquipulas II," must fulfill, among others, the following measures:

1. General amnesty for political and related crimes.

2. The suspension of the state of emergency.

3. Democratization, including:

a. Absolute and effective freedom of the press. This is to include written, broadcast, televised reports, and information expressed by any other means—discontinuing the privileges, subsidies, and improper channeling of national resources and properties to the media at the service and under the control of the Sandinist Party.

b. The establishment of full rights and guarantees of political, professional labor union, business, and any other type of legitimate association, free citizen movement throughout the national territory and the freedom to leave or enter the country, freedom of assembly, freedom of speech and social communication, and freedom of information.

c. Unrestricted union rights and the right to strike.

d. The workers' right to acquire a just, dignified, and rewarding salary, avoiding the inherent effects of hyperinflation, administrative ineptitude, and government corruption.

e. Granting of property titles to peasants for lands under any form of state control, whether direct or indirect, and the dismantling of militarized cooperatives that constitute bases for logistical support, military information, and disguised headquarters.

f. Full and unrestricted implementation of human rights.

g. Suspension of obligatory military recruitment by any form or means, respecting the legitimate right to refuse to serve in a partisan army: the Sandinist People's Army.

h. Dissolution of the Sandinist Defense Committees (CDS) and the entire paramilitary apparatus used for security, violation, oppression, threats, and partisan force, including the so-called "divine mobs."

i. Suspension of the use of rationing and control cards for popular supply.

3. [number as received] This cease-fire will take into consideration the on-site military reality at the time. The RN commanders will hold their positions in the areas of war operations according to the shaded areas on the attached map. The effective area within this zone is 68,500 square km. Except for mutually agreed upon circumstances and mechanisms, both sides are forbidden from entering the areas assigned to each side.

4. Both the RN and the Sandinist regime will name their cease-fire negotiating commissions, with no more than five members, at the highest civilian and military levels, informing Cardinal Obando y Bravo of the names.

5. Both sides will grant broad security, immunity, and guarantees to the members of the respective commissions, as well as their advisers, providing the best facilities for carrying out their work.

6. The commissions, through Cardinal Obando y Bravo, will—in due course—agree on, among other things, the summons, date, duration, place, and continuity of the meetings. The RN proposes Managua as the meeting place, or any Central American country, preferably Guatemala or Costa Rica.

7. Because of the delicate and complex nature of the process and because of its seriousness it is convenient for the negotiations to be carried out in private. However, the RN does not object to having them made public, leaving this decision up to Cardinal Obando y Bravo.

8. Each meeting's agenda will be prepared through Cardinal Obando y Bravo, who will preside over all meetings in his role as mediator.

9. Both sides will guarantee security for the civilian population in the agreed cease-fire areas, a supply of basic services, mobility, and the carrying out of social, economic, cultural, and political activities.

10. Neither side will take advantage of the other in positions, number of troops, and materiel—either in amount, quality, or any other way—resulting from the cease-fire.

11. During the cease-fire RN and Sandinist troops will have access only to nonmilitary materiel. For this purpose, air, sea, river, and land corridors will be established as necessary. The methods and organizations that guarantee the flow of humanitarian aid to the troops. [sentence as received] Special attention will be given to matters dealing with the health, welfare, and security of the troops, as well as defensive capabilities in case the cease-fire is broken.

12. The free flow of communication, religious services, and contact with the media—press, radio, and television—as well as with several of the humanitarian organizations will be guaranteed.

13. The actions that may violate the cease-fire, the ways to resolve disputes, and procedures will be mutually determined and their resolution will be entrusted to the mediator, His Eminence Cardinal Miguel Obando y Bravo.

14. A commission for the vigilance and observance of the cease-fire, made up of Central Americans, will be appointed and headed by His Eminence Cardinal Miguel Obando y Bravo.

15. To strengthen national independence and to promote stability in the region, the two sides will establish, by mutual agreement, the rules that will faciliate the repatriation of all foreign advisers or those advisers that appeared as naturalized citizens after 19 July 1979. Once the commitments made in "Esquipulas II" have been fulfilled, particularly those regarding the full democratization of Nicaragua, mechanisms for the graudal disarmament of both sides will be established, starting with the demobilization and reintegration into civilian life of those who may wish to do so in both armed organizations. In addition, steps will be taken to form a single national army made up of volunteers, thus establishing the equivalent military ranks within the overall reorganization of the new security armed forces and the national police. The national army will be reduced to a level that is compatible with the country's economic capacity, its needs for security, and it will be in balance with the Central American armed forces.

The Nicaraguan Resistance considers, among other things, that the following are complementary points on the agenda to negotiate a cease-fire:

1. The establishment of principles and objectives, documents, structures, duties, and appointments, as well as the duties and creation of a joint military commission;

2. A system for inspections and visits;

3. Visits to relatives;

4. The establishment of neutral zones for free assembly subject to measures to be agreed upon;

5. A system and procedures for the release of war prisoners and other detainees;

6. Attention to and priority treatment for the wounded, sick, invalid, maimed, and other military and civilian victims of the war;

7. Absolute respect by the two sides for the humanitarian rules of war and human rights in general;

8. The elimination and deactivation of mines throughout the national territory as well as an end to indiscriminate bombings;

9. The appointment of representatives authorized by the two sides to officially sign the agreements discussed, the guarantees [that the agreements will be complied with], and witnesses who are nationally and internationally known;

10. The date on which the agreements will go into effect;

11. Others; peace must be a result of democracy.

'Counterproposal' Viewed

PA021457 Managua Radio Sandino in Spanish 1211 GMT 2 Dec 87

[Text] A counterproposal for a 6-week cease-fire beginning on 8 December, conditioned to a virtual dismantling of organizations, institutions, laws, and benefits obtained by the people, which were established more than 8 years ago, was disclosed yesterday when the text of the mercenary leadership's counterproposal was delivered to the government by Cardinal Miguel Obando y Bravo.

According to the document, which attributes to the contras alleged control of 68,000 square km of national territory, simultaneously with the implementation of the cease-fire there should be a general amnesty, the suspension of the state of emergency, and 13 other demands previously established in the U.S. platform of aggression against Nicaragua. This interpretation of the simultaneity concept, copied from the Reagan administration's official speech, violates the letter of the Esquipulas agreements, which establishes that the cessation of the use of Central American territories by attacking irregular forces shall be certified, so all other democratization measures can go into effect.

In addition to the aforementioned points, the mercenary leadership has imposed preconditions for negotiation: the dismantling of the enterprises owned by the people and of the cooperatives in the agricultural sector; the suspension of the Patriotic Military Service; the dismantling of the Sandinist Defense Committee and the State Security; and the control of supplies—which would lead to an alleged disarmament of the EPS.

Peru's Garcia Meets With President Ortega

Decorates Ortega

PA011412 Managua Domestic Service in Spanish 2310 GMT 30 Nov 87

[Speech by Peruvian President Alan Garcia at a ceremony to decorate President Daniel Ortega at the Las Mercedes Hotel in Managua—live]

[Text] Mr President, friend, and comrade: When I attended the ceremony to promulgate the Nicaraguan Constitution—a democratic constitution that I always knew would be drafted after the ill-fated days of confrontation and war—you gave me a decoration that I feel is one of the highest honors I have received on behalf of Peru: the Sandino Order.

I have followed, full of conviction, the Nicaraguan people's cause, effort, and struggle. We share their grief and anguish. But, most of all, we share the conviction that we want to keep the Latin American cause safe and wave high the banner of continental sovereignty and the defense of our people's integrity.

For this reason we have never hesitated to say that if we have to choose, we will choose to be on Nicaragua's side. This is a profound conviction and an emotion that encourages our course. We will always maintain this.

We may suggest things. We may say things to one another with the honesty and sincerity of those who are walking in the same direction in history. However, basically, we are politicians and nations that are on the side of those who defend the sovereignty of this continent.

We will always be together when hegemonic interventionism attempts to affect the dignity and sovereignty of a nation. We learned this from Haya de la Torre in Peru, who wanted to fight for Sandino. We maintain this because we know which noble cause is being defended when, as a part of a continent, we defend that continent's sovereignty and its historical freedom.

We follow with concern the fulfillment of all the necessary agreements and the steps to put an end to the war and consolidate democracy and the sacred right to your people's welfare. We follow these steps with our hearts on the side of the noble cause that is being defended.

For this reason, by bringing the message of eight countries that are beginning to seek the common sense of their future and to rescue themselves from the grave problems of the debt, poverty, and economic domination, I am also bringing, on behalf of those eight nations, our profound respect for the cause of this nation and the faith with which the Nicaraguans believe in peace and democracy.

After talking with you I leave fully convinced—as I have always left this land—of the sincerity with which Nicaragua is acting and of its determination to fulfill its historical commitment [words indistinct] the Latin American peoples.

We are convinced that regardless of its delays and limitations, the peace plan will bear fruit for the consolidation and stability of our people's welfare.

Allow me, Mr President, to give you the order of Peru's Sol, which San Martin, the liberator, established to honor those who fought for Peru's independence. This is an order that goes back to its original purpose, in this land and this place, to honor those who struggle for independence, to stop the hegemonic interventionism which—fortunately for our people—has begun to wane because of decisions we have made.

Latin America is not only standing proud as an act of rebelliousness and resistence, but as a way to show strength and awareness. It is standing proud to strengthen its unity, which is the only way to avoid imperialism, domination, and negative influences.

Eight countries met to sign an agreement in which we admit that separate and isolated paths have led to nothing and that we must be united to face the challenges that threaten our sovereignty and hurt our economies.

The Acapulco message is a message of unity, and I am here at the request of eight chiefs of state. This is not only a political visit of solidarity, sympathy for this cause, and active identification. I am here as a representative of this unity that was established through a document, in which we stated that none of our countries should sacrifice its welfare to abide by the accounting of banks and the bankers' appetite. It is a document in which we stated that only unity can make us great and resistant to the danger of powerful influences.

We are told that in a few days the two big powers will sign agreements in the United States. We are told that those agreements establish limitations in the strategic armaments of medium- and short-range missiles.

In Latin America we understand this to be good. However, we are uniting so the world will not witness a new division of nations in areas of influence, so the world will not have areas of intervention or zones of restricted sovereignty.

We want talks and agreements reached by the big powers to include disarmament. However, we do not want those conversations to include topics that only concern us. Therefore, we are uniting to be strong in the dialogue. This is the sense of the Acapulco commitment: to see that Latin America will occupy a position of equality in the world. For this reason eight presidents signed an agreement expressing hopes in the peace process, the democratic reaffirmation, and the stability and welfare Central America is entitled to.

Allow me, friend and president, to deliver this order, which is the highest given by the country to honor its friends and those who fight for freedom, just like San Martin intended when he created it. [applause]

Ortega Replies

PA011444 Managua Domestic Service in Spanish 2321 GMT 30 Nov 87

[Speech by President Daniel Ortega at a ceremony to receive a decoration from Peruvian President Alan Garcia at the Las Mercedes Hotel in Managua—live]

[Text] We once again welcome you to our fatherland, President Alan Garcia, our comrade, friend, and Central American brother. We are doing this full of confidence and optimism in the future because large steps have been taken in Latin America and the Caribbean in recent months. All these steps have been taken in favor of the self-determination, independence, and sovereignty of our nations.

The meeting of the eight in Acapulco is undeniably an important and historic step. We fully support the agreements signed there because we feel and know that those agreements include the main aspirations of the peoples of Latin America and the Caribbean, and thus the aspirations of the Nicaraguan people.

This is a moment of great historical importance because it signals our determination to follow a path of our own making, one which will open the way to a true participation by all our nations, by our peoples, within a framework of fairness and justice, in the political, economic, and social arenas of international relations. The Acapulco document clearly supports the efforts of the Central American governments, which today are bent on working for peace.

[8-second break in reception] of the peaceful resolution of conflicts, noninterference, nonviolence, and a respect for the decisions made by the Latin American peoples, regardless of how small their territory or population might be.

Another great historic step was taken on 7 August by the Central American rulers. In a firm and sovereign manner and with self-determination we decided to sign the Esquipulas II agreements, to work for peace in the Central American region. We cannot fail to tie in with this unprecedented action of the Central American governments the continuous actions of the Contadora and Support Groups. We also cannot neglect recognizing the firm and continuous efforts of the Nicaraguan people in the face of foreign aggression. Without the firm and heroic attitude of the Nicaraguan people and without the

sacrifices the Nicaraguan people made in fighting foreign aggression in the worst of economic and social circumstances, the Esquipulas agreements would have probably not been signed.

Thus, the 7 August agreements are the results of the strength and the heroism of the people of Sandino, of the strength and Latin American dignity of the countries that make up the Contadora and Support Groups, of the willingness and dignity of the Central American rulers who signed the agreement on 7 August.

These are two historical events that bring the people even closer, that call upon us to think about the need to work even harder so peace will become a reality in Central America and so peace will become a reality in the full meaning of the word throughout Central America and the Caribbean. Peace is incompatible with the foreign debt. Peace is incompatible with an unjust international economic order that crushes and exploits our economies. Peace is incompatible with a situation where sovereignty is the target of pressures, blackmail, restrictions, and limitations.

These great steps being taken in Latin America and the Caribbean undoubtedly strengthen the demands of the people to work for Latin American unity. This Latin American unity is the Latin American consensus that will allow us to build new infrastructures.

As I receive this decoration from the Peruvian people I want to thank our great brethren—President Alan Garcia and the Peruvian people—for this award we are placing on the chest and waist of the Nicaraguan people, of the Nicaraguan workers, of the Nicaraguan peasants, of the workers, of the Nicaraguan children, of the Nicaraguan Miskitos, of the people from Monimbo, [words indistinct] of the humble people from all Nicaragua, of the Nicaraguan youth, of the Nicaraguan women, of the elderly people, and particularly of the heroic Nicaraguan mothers. All of us together have been able to confront and continue confronting the aggressive and interventionist policy of the U.S. rulers who are disrespecful of international law.

Esteemed President Alan Garcia, I receive this decoration from you as the representative of the Peruvian people with the pride of the people of Sandino, who are determined to continue struggling for freedom and to seek peace, but not at the cost of our dignity. Thank you. [applause]

Joint News Conference Held

PA011624 Managua Domestic Service in Spanish 2331 GMT 30 Nov 87

[News conference held by President Daniel Ortega and Peruvian President Alan Garcia with unidentified reporters at the Las Mercedes Hotel in Managua—live]

[Text] [Ortega] We will answer two questions, very quickly.

[Reporter] [Passage indistinct] Why do you think that this declaration signed by the eight presidents in Acapulco will result in action?

[Garcia] This is a commitment signed by the presidents, and that is the difference between it and so many other previous documents. In the second place, these are very different times. Today, the level of the crisis within each of our countries urgently pushes us to make decisions that will be more solid if they are made collectively. The burden of the foreign debt on each of our economies and the sight of our economies subjected to rigid adjustment policies imposed by the IMF determines that the rulers must listen to the demands of their peoples and make decisions. This is a critical time for Latin America. In contrast to 1929—which closed out the era in which the raw-materials-exporting countries were unable to achieve unity and made the mistake of each trying to create its own industry, only to fail—this 1987 crisis—the crisis of the world stockmarkets, the crisis of speculation and interest rates, the crisis of the debt that is crushing our peoples with unproductive capital—must make us take action and seek unity.

This is the decisive moment in which the top Latin American politicians begin to unite and sign commitments on specific topics. We have pointed out that we will restrict our debt payments to the capacity of our countries and our right to development. We have pointed out we are determined to restrict the interest rates to just and historical levels. All of this shows we are adopting commitments that we are sure we will be compelled—regardless of our own desires—to fulfill.

[Reporter] [Words indistinct] on the assistance to Central America provided for by the declaration of the eight, how it will be channeled, and how much will this amount to, approximately?

[Garcia] We have agreed on a series of measures that include basically the financing of capital goods for the countries that have suffered more from the consequences of intervention and war. We have also agreed to ease the import of products that could be produced here. In the third place, we will coordinate actions to carry out emergency policies in the fields of health and food for the peoples and governments that so request it. The economy ministers from the eight countries will soon meet to determine the amount, procedures, and the way each one of us will cooperate in this effect.

[Question indistinct]

[Garcia] We have a trade arrangement with Nicaragua that we are fulfilling and we are financing exports.

[Question indistinct]

[Ortega] [Words indistinct] of the Peruvian Government. We have had very fluid cooperation, as President Garcia has explained. That cooperation continues; that

cooperation has never ceased at any time, and we consider it very valuable cooperation. This was reaffirmed today during this meeting with President Garcia. We also talked with him about the efforts we are making here to see that the Guatemala accords will be enforced.

We have some late reports we had just received when President Garcia arrived. For example, His Eminence Cardinal Miguel Obando y Bravo announced today he has agreed to act as mediator. In other words, he has officially agreed to act as mediator in working out a cease-fire with the leaders of the contras who represent the U.S. Government.

I also contacted Dominican President Joaquin Balaguer and conveyed to him Cardinal Obando y Bravo's desire that these cease-fire negotiations be held in the Dominican Republic. Nicaragua agrees with this proposal by Cardinal Obando y Bravo, and he is now waiting for the reply of the contras to see if they accept negotiations in the Dominican Republic. President Balaguer is willing to allow these conversations in the Dominican Republic and to do everything possible so that these negotiations for a cease-fire take place in Santo Domingo.

Also, a few minutes ago Cardinal Obando y Bravo sent us the contras' reply to Nicaragua's proposal on the cease-fire. I have given President Garcia a copy of this reply. We are not going to issue a statement right now on the contras' reply. We must first analyze it; we must study it carefully. In due time we will issue an appropriate announcement.

Thus, this is the situation. On the other hand, the clashes continue in the war zone. The war has not ended; the war continues. Everyday there are casualties among the population. The counterrevolutionaries continue murdering children and attacking cooperatives. They have tried to enter the coffee plantation areas, but they have been repelled by the EPS and the Interior Ministry forces. The contras threaten to carry out more terrorism in the rural areas.

Generally speaking this is the situation we discussed today with President Garcia. We persisted in Nicaragua's firm detemination to comply with the Guatemala accords signed on 7 August.

[Reporter] [Words indistinct] a question I asked the Salvadoran president on some reports I had from a very good source. It concerned a critical point on what President Duarte thinks about the existence of a logistical base for providing the FMLN with military and political support. He confirmed he had received a cable from you saying your government was planning to establish conditions that would lead to dismantling that logistical support base.

[Ortega] I talked with President Duarte on this subject during the 6-7 August meeting in Guatemala. I reminded President Duarte that the Salvadoran guerrillas existed before the triumph of the Nicaraguan revolution and that everyone knows the Salvadoran guerrillas arose out of the injustice that has prevailed in that country, out of the lack of freedom, and out of the lack of democracy. Furthermore, there was a time when Duarte himself—when he was a member of the opposition—was an ally of the guerrillas who were already active in El Salvador a long time before the victory of the Nicaraguan revolution.

Therefore, the base or the energy behind the Salvadoran guerrilla movement has been in El Salvador for a long time. We have not denied that our territory could have been used for the transportation of arms and for other types of activities. Within the framework of simultaneity of the Guatemala accord we Central American leaders have committed ourselves to take the corresponding steps so that our respective territories will not be used by rebel or revolutionary groups or forces to destabilize or attack other Central American governments. Nicaragua is determined to comply with the document signed in Guatemala.

[Question indistinct]

[Ortega] The most important thing is that we are insisting that the International Verification and Follow-Up Commission should begin working as soon as possible. As soon as this commission begins to work there will be better conditions for complying with the agreements. Nicaragua is willing to have the commission visit any area—any military area, any military installation—in our country. It will be able to visit any point of our national territory. The Nicaraguan Government will take it to any point because the U.S. Government's counterrevolutionary forces do not control a single inch of national territory. So, we will take the International Verification Commission wherever it wants to go—even if it wants to go to the Honduran border, where it is alleged there are contra forces. There will not be a single contra there because the contras do not control a single inch of our territory.

However, Nicaragua will have this willingness as long as the other Central American governments do likewise. In the Guatemala accord we all voiced our willingness to see the international commission play this role. We are waiting for other Central American governments to voice the same willingness as Nicaragua so the commission will be able to work and conduct inspections on the spot. This will probably accelerate the peace process in Central America. This is a key point.

[Reporter] Mr President, one last question. There is a Honduran-datelined report to the effect that Honduras is not willing to accept any observers. What do you think about that?

[Ortega] I have not learned of any official stand from the Honduran Government. I know that Honduras has said it is willing to comply with the Guatemala accords. The

International Verification and Follow-Up Commission will have to contact Honduras and learn if Honduras will comply with the Guatemala accords.

Intelligence Chief on 'Spy' Plane Flights

PA021433 Managua Radio Sandino in Spanish 1930 GMT 27 Nov 87

[Text] Major Lisandro Wheelock, EPS chief of military intelligence, has reported that sophisticated spy planes from Honduras have flown 174 missions over Nicaraguan territory in the past 20 days. The officer spoke during a Radio Sandino phone-in program this morning.

Maj Wheelock said that this year the number of spy and other flights is approaching 2,000. In addition, ships fitted with electronic spying equipment that can even tune in to this radio newscast are off the Nicaraguan coast.

[Begin Wheelock recording] They use aircraft based in Honduras, one of which is known as [words indistinct] and the other as the RU-21. With these strategic little planes they take photographs and make radio direction-finder fixes. They monitor the movements of our troops with their new surface-based communications equipment. They flew 174 missions during the past 20 days. We are practically under siege by the Americans. [passage indistinct]

U.S. intelligence works with its mercenary forces on a short-term basis and on a long-term basis for an invasion against Nicaragua. Complementing this encirclement [words indistinct] another ship was reequipped in 1985. We know it as an RL-24. This means this ship is used for light repairs and uses a radio (?direction finder). At a cost of $20 million this ship was transformed into a [words indistinct] ship in 1985. [Passage indistinct] In addition, they can—or think they can—interfere with Sandinist troop communications. The presence of these ships off the Atlantic coast has been permanent since the year 1981. Off the Pacific coast we have observed the permanent presence of three ships that monitor the ocean depths [words indistinct].

These factors could break the will of weak men. Yet we, as revolutionaries and members of the Sandinist forces, are not afraid. Not only are we not afraid, but we are familiar with their movements; we know where they are and what they do. Consequently, we prepare ourselves—which is very important—either for a direct U.S. invasion or for a lesser confrontation [words indistinct]. Just as they possess technology, so do we. We train our personnel and officers very well. To train a military man to handle such sophisticated weapons (?takes) time. [passage indistinct] [end recording]

Arce Meets With GDR Party Delegation

AU301717 East Berlin NEUES DEUTSCHLAND in German 26 Nov 87 p 8

[Text] (ADN)—Bayardo Arce, vice coordinator of the Executive Commission of the Sandinist National Liberation Front national leadership, briefed Helmut Mueller, second secretary of the SED [Socialist Unity Party of Germany] Berlin Bezirk leadership, on Nicaragua's part in implementing the Central American peace agreements. During a friendly meeting in Managua on Tuesday [24 November], Helmut Mueller reaffirmed the GDR's support for the regional peace plan of Guatemala and for Nicaragua's consistent policy in implementing it.

On behalf of the FSLN national leadership Bayardo Arce paid tribute to the firm solidarity and support of the SED and of the GDR people for the Sandinist people's revolution and stressed in particular the deep understanding of Erich Honecker, general secretary of the SED Central Committee, for struggling Nicaragua. The talk was attended by Heinrich Maerz, GDR ambassador to Nicaragua.

Earlier, Helmut Muller and the delegation headed by him met with Carlos Carrion, regional FSLN secretary of Managua, with other FSLN officials, as well as with government representatives. During their week-long visit to Nicaragua, which ended on Wednesday [26 November], the visitors also inspected several industrial and agricultural enterprises.

Panama

Aeroflot Begins Operation; First Plane Lands

PA011725 Panama City CRITICA in Spanish 27 Nov 87 pp 1, 25

[Article by Hollis Robinson]

[Text] Captain Mike Von Seidlitz, subdirector of Panamanian Civil Aeronautics, told this newspaper yesterday that "the flights of the Russian airline Aeroflot will generate over half a million balboas for the Panamanian Government. There is no agreement yet between Panama and the Soviet Union to establish air trade relations. [no closing quotation mark as published]

Von Seidlitz added that the operations Aeroflot began yesterday will allow the airline to land at General Omar Torrijos Herrera Airport twice a week for the next 3 years without any problem.

Yesterday afternoon the first Aeroflot plane arrived at Gen Omar Torrijos Herrera International Airport with 160 Soviet sailors, including females.

The Russian plane landed in Panama at 1445 and was commanded by Captain Vladimir Rokov. The plane was coming from Havana, Cuba.

The Russian sailors departed early this morning on board a ship of the Russian fishing fleet, which was anchored at Balboa Pier 18. The Aeroflot plane returned to Cuba today with the sailors who originally arrived on the Soviet fishing vessel.

According to the Aeroflot representative in Panama, Alexander Gaukin, Aeroflot is planning to make six to eight monthly trips to Panama from Cuba to transport Russian sailors. Yesterday's trip was a special charter.

For the time being the Russian airline has a lawyer and a representative in Panama, and it will soon open offices in Panama City with a staff of at least six.

Gaukin added that since Aeroflot began traveling to Panama, Panamanian revenue has increased and this is the first step in that direction.

Capt Vladimir Rokov said he has commanded trips to Peru, Argentina, Nicaragua, Jamaica, Cuba, and Mexico; and that of all those trips the best airport he has found in Latin America is Panama's because of its landing strip and the safety it offers to arriving planes.

The Aeroflot plane that landed in Panama yesterday afternoon can accommodate 400 passengers besides a 10-man crew. The plane registration number was CCCP-86478. The flight number was 5331.

According to Gaukin, the Panamanian personnel of Aeroflot offices in Panama will include a Panamanian manager.

Argentina

Alfonsin, Sanguinetti Return From Summit

PY010040 Buenos Aires TELAM in Spanish 0022 GMT 1 Dec 87

[Text] Buenos Aires, 30 Nov (TELAM)—President Raul Alfonsin arrived today at 2113 at Ezeiza Airport from Acapulco, Mexico, where he attended the Group of Eight summit.

The Argentine Air Force plane arrived at Ezeiza after stopping in Montevideo, where Uruguayan President Julio Maria Sanguinetti got off.

Government Position Criticized

PY020249 Buenos Aires DYN in Spanish 2324 GMT 1 Dec 87

[Text] Buenos Aires, 1 Dec (DYN)—The CGT (General Confederation of Labor) today criticized the position of the Argentine Government at the summit of eight Latin American presidents that was held in Mexico. The CGT also reiterated its demands for a moratorium on the payment of interest on the foreign debt.

The CGT communique states that "the prevailing theory is one of continuous refinancing, including the payment of usurious interest to the extent possible while waiting for the financial institutions to adopt more flexible positions."

According to the CGT, "this mistaken course of action will not be met with complicity or silence by the CGT, which once again regrets the distortion of Argentina's drive for freedom and integrity."

The CGT added that the correct approach is "not to merely talk about developing our own productive forces, but to actually develop them by activating our domestic market and encouraging public and private investments as the main means for attaining social justice."

Changes in Intelligence Community Reported

PY292117 Buenos Aires TELAM in Spanish 2024 GMT 28 Nov 87

[Text] Buenos Aires, 28 Nov (TELAM)—The National Intelligence Center (CNI), currently headed by SIDE President Facundo Suarez, will head the National Intelligence System (SNI) according to a secret decree signed by President Alfonsin and several cabinet members.

According to different publications, the decree was issued by the executive branch after it reached an agreement with the Justicialist Party. The decree empowers the "CNI-SNI" to coordinate, supervise, and direct all basic Argentine intelligence services.

With this decision, the government intends to adapt the current national intelligence system to meet the needs of the state. This will be achieved by adapting present legal dispositions to serve the basic and specific responsibilities of each intelligence organization.

The decree establishes that a basic adjustment of the CNI is indispensable for producing the kind of strategic national intelligence needed to properly ensure state security. The goal is to produce a group of intelligence organizations and national and provincial information services.

The new regulation, which will be excluded from the future defense law, and which was approved by the Justicialist Party, establishes that the SNI will be directed by a president; four under secretaries from the Defense, Interior, Economy, and Foreign Relations Ministries, respectively; and seven intelligence chiefs from the Armed Forces and the security departments.

The decree is also signed by Interior Minister Enrique Nosiglia, Defense Minister Jose Horacio Jaunarena, Foreign Minister Dante Caputo, and Economy Minister Juan Vital Sourrouille.

Officers To Visit Spain, Discuss Democracy

PY300253 Buenos Aires DYN in Spanish 1640 GMT 29 Nov 87

[Text] Madrid, 29 Nov (DYN)—Reliable Spanish military sources revealed to a Madrid daily that more than 100 Argentine Armed Forces officers will travel to Spain "to familiarize themselves with the democratic process" in this country.

This report, published by *Diario 16*, says that the Argentine officers' visit to Spain is being held within the framework of the agreements reached between President Raul Alfonsin and Spanish Prime Minister Felipe Gonzalez during the latter's recent visit to Argentina.

Diario 16 states that during the Alfonsin-Gonzalez meetings in Buenos Aires, Alfonsin conveyed to Gonzalez his concern about the Argentine military situation which has deteriorated since the Holy Week incident.

According to the sources cited by *Diario 16*, "the Argentine (officers) are going to visit us to learn more about our democracy and to observe how our Armed Forces have become part of the Spanish democratic process."

The Argentine officers' agenda here includes interviews with Spanish commanders, visits to military units, and meetings with Spanish generals who did not participate in the Spanish Civil War.

According to the daily, most Argentine officers belong to the General Staff's schools for the three branches of the Armed Forces.

Briefs

Swiss Banks Approve Loan

Zurich, Switzerland, 2 Nov (TELAM-EFE)—The Swiss National Banking Association (BNS) reported in the current issue of the association's bulletin that the association will participate in a $14.25-million loan to Argentina. [Summary] *[Buenos Aires TELAM in Spanish 1418 GMT 24 Nov 87 PY]*

Bolivia

Garrett, UN Official on Drug Trafficking

PY011420 La Paz La Red Panamericana in Spanish 1130 GMT 1 Dec 87

[Excerpt] In a meeting with (Margaret Amshey), a UN representative visiting Bolivia, Vice President Julio Garrett Ayllon said the coca production problem is more serious and complex than the governments of consumer countries can imagine because not only must coca be replaced by other crops, but the economic system spawned by coca nust also be replaced in Bolivia.

Garrett told her last night that international aid to fight drug trafficking must be applied within the framework of general aid for the economic development of the country.

Bolivia has a moral responsibility to the international community to combat this scourge. However, fulfilling this responsibility will only be possible with appropriate and fair compensation for the peasants and the development of the Bolivian economy, Garrett said.

He also said that one of the greatest dangers for Bolivian democracy is drug trafficking, and if the international community does not give the Bolivian Government enough help, this problem could harm the nation's democratic institutions.

Drug trafficking's immense corrupting influence will only be controlled by a united international front against drugs, Vice President Garrett said.

UN official (Margaret Amshey) stated that Bolivian efforts to fight drug trafficking must be made known abroad. She said she visited the coca production regions of Chapare and Yungas, and she observed progress in the coca eradication programs. However, she said she noticed that there is insufficient international assistance to fight drug trafficking. She said a stronger response is needed from the rich countries to aid the coca producing countries if they want to effectively end this illegal activity. [passage omitted]

Outgoing Commander Cited

PY011456 Madrid EFE in Spanish 0447 GMT 1 Dec 87

[Text] La Paz, 30 Nov (EFE)—General Gonzalo Saavedra, outgoing commander of the Bolivian Armed Forces, today stated that the military will prevent drug traffickers from seizing power and imposing their laws.

Saavedra made this statement during the ceremony at which he was replaced by General Jorge Rodriguez. He said "the Armed Forces will never allow drug traffickers to impose their laws in Bolivia."

Saavedra added that "we have the moral reserves of an entire people and of their leaders to prevent this from happening."

The outgoing commander in chief said that coca leaves, the sound use of which "has helped a people (the Quechua-Aymara) to survive for 4 centuries, have been exploited by international drug traffickers to distort our economy and to promote terrorism and subversion."

Saavedra's remarks were made in response to statements in Bonn (FRG) by several Bolivian Franciscan priests who said that if things remain as they are, the next Bolivian president will be a drug trafficker.

The Franciscan priests' remarks in Bonn have received in La Paz the support of ADN leader Alfredo Arce, representative of the ruling Bolivian coalition.

Official Views Coca Eradication Plan Support

PY301521 La Paz PRESENCIA in Spanish 9 Nov 87 p 1

[Excerpts] The foreign affairs representative of the Under Secretariat for Alternative Development has reported that the second phase of the alternative development plan foresees the increase of production and the construction of roads to connect consumer centers. [passage omitted]

He said the peasants have reiterated their support for the coca substitution plan and the rural development promotion plan, although some peasants are concerned about when these programs will take effect.

As of last week, 450 hectares of coca had been eradicated in EL Chapare region, with an investment of $900,000. Much progress has been achieved in the Yungas region, where 50 hectares of coca were eradicated in 45 days, although only 50 percent of the payments have been made so far.

"The coca eradication plan has received support from the peasants, who are working to plant alternative crops to prevent their dependency on the production of coca alone," the official explained.

Brazil

Spokesman Denies Bresser Pereira Resignation

PY020244 Madrid EFE in Spanish 0143 GMT 2 Dec 87

[Text] Brasilia, 1 Dec (EFE)—Finance Ministry spokesman Gerardo Moura today said that Finance Minister Luis Carlos Bresser Pereira will not resign his post.

Unofficial sources have said that Bresser would resign after announcing in New York that a new tax will be imposed on the liquid assets of Brazilian taxpayers. A few hours after the announcement, President Sarney himself ruled out the enforcement of the tax.

The early announcement of the nex tax, which is part of a new fiscal package, caused a wave of speculation on the financial market, a capital drain, and an increase in dollar and gold prices.

The experts have said that Bresser Pereira, who is negotiating the Brazilian foreign debt in the United States, will have to resign because of, among other things, the increase in the inflation rate, which surpassed 10 percent in November and which may reach 20 percent in January.

President Approves 1988 Federal Budget

PY020235 Brasilia Domestic Service in Portuguese 2100 GMT 1 Dec 87

[Excerpts] Today President Jose Sarney approved the 1988 federal budget, which amounts to 7.641 trillion cruzados. Of this total, 4.667 trillion cruzados is allocated for general expenditures, of which 25 percent will be for health, education, and social programs. The monetary portion of the federal budget amounts to 1.879 trillion cruzados, and 1.095 trillion cruzados is allocated for miscellaneous expenditures.

The federal budget has been consolidated for the first time in history. This will give the government better control of the public deficit, according to Planning Minister Anibal Teixeira. [passage omitted]

Minister Teixeira explained that with the consolidation of the federal budget, the Central Bank will no longer be authorized to issue bonds, securities, or paper money without prior approval by the National Congress.

Sarney Authorizes Minimum Salary Increase

PY011917 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 1 Dec 87

[Text] President Jose Sarney has signed a decree authorizing a 20-percent increase in the national minimum salary, which as of today will be 3,600 cruzados.

The minimum salary for retirees has increased to 2,550 cruzados, representing an increase of 12.8 percent.

Institutional Changes Made in Public Finance

PY010011 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Nov 87 p 26

[Excerpts] The LFT (Treasury Financial Bond) was instituted through Decree-Law 2376 to generate resources to cover budget deficits and to extend credit in anticipation of tax revenues to municipalities and states. LFT's will have face values in multiples of 1,000, and will be negotiable bonds bearing the buyer's name. The bonds will be offered to the public at large.

The LFT yield will be established in conformity with the adjusted average rate of return on investments in LFT's as determined by the system of surveillance and liquidation of government papers operated by the Central Bank, which keeps track of government securities transactions. At bond redemption time, earnings will be calculated and paid on the nominal values of LFT's.

A formal record will be kept of issued LFT's, which will not be negotiated on the stock exchange floor, but in the open market through authorized institutions. LFT's, 10 days after they have matured, can be used as currency worth their nominal values plus their yields to pay any federal tax, according to instructions to be issued by the Finance Ministry.

Article 6 of the decree-law establishes that should the Central Bank not reveal the LBC (Central Bank Certificate) yield, obligations legally or contractually subject to monetary or price adjustments on the basis of the LBC yield will be readjusted on the basis of the LFT yield, determined according to the same criterion as the LBC yield. The LFT can thus replace the LBC for indexation of financial contracts.

Article 7 establishes that through Finance Ministry authorization, an OTN (National Treasury Order) can be issued with a clause giving the creditor, at the maturity date, the option for correction by the IPC (Consumer Price Index) or the LFT. This is an indication that the rate of inflation-induced variation may differ between the IPC and the LFT.

With the creation of the LFT, the government will henceforth offer four securities in the market; LTN's (National Treasury Notes), OTN's, and LBC's are already in the market now.

In doing away with the Internal Public Debt Redemption and Control Fund, which was created by Decree-Law 263 of 28 February 1967, the newly promulgated Decree-Law 2376 establishes that the balance existing in Central Bank-Bank of Brazil-Treasury operations will be converted into cash and settled through compensation by values outstanding on 31 December of this year, monetary correction included. The same thing will apply to interest and commissions that have accrued to that date. The debtor balances will be paid in cash in January 1988.

The debtor balance that might turn out to be charged to the Treasury can be paid in LTN's of a special series to be issued to that effect, whose values will be corrected by the OTN. According to the same decree-law, the Central Bank-Bank of Brazil-Treasury accounts settlement will be considered final when approved by the National Monetary Council.

The LTN's that are to be used to settle the Treasury debtor balance will have staggered maturity dates set by the National Monetary Council, the maximum maturity term being 20 years beginning with the signing of the contract at the National Finances General Attorney's Office.

The single paragraph of Article 8 of Banking Law 4595 of 31 December 1964 establishing that "Central Bank profits will be made part of its assets" was replaced. Henceforth, "the net balance of the Central Bank operations, after credit and debits are valuated on a year-to-year basis on 1 January 1988, will be transferred to the Treasury, after compensation for possible losses in past business years." [passage omitted]

Decree-Law 1638 of 6 October 1978 instituted a monetary reserve by setting aside 75 percent of the profit made in intermediation of foreign trade operations by the Central Bank. These reserves were intended 1) to cover commitments in foreign currency guaranteed by the Treasury and not honored by public administration agencies; 2) to finance losses caused by bankrupt financial institutions; and 3) to pay subsidies and finance buffer stockpiles.

Decree-Law 2376 eliminates this monetary reserve, and stipulates that the resources made available by this elimination be used by the Central Bank to cover financial obligations stemming from the implementation of the monetary and foreign exchange policy for which it is responsible. As for ongoing operations, Decree-Law 2376 states that they will become the Treasury's debit that will be cleared when accounts are settled with the Central Bank.

Gold, Other Minerals Found in Antarctic

PY251253 Rio de Janeiro O GLOBO in Portuguese 24 Nov 87 p 7

[Excerpt] Bauru [Sao Paulo State]—Research conducted by the Brazilian team working in the Antarctic has resulted in the discovery of gold, silver, iron, uranium, oil, coal, and other minerals, which may be exploited in the future. Professor Antonio Guimaraes Ferri, director of the Sao Paulo University (USP) Oceanographic Institute, made this announcement yesterday. He also said the size of the deposits is still unknown, except for the coal deposit, which is extensive. According to Professor Ferri, the coal deposit that was found by the Brazilian researchers in the Antarctic measures approximately 30 km by 3 km.

We are still in the preliminary stage of our research. Everything becomes more difficult in the Antarctic in view of the meteorological conditions and of the fact that the ground is covered by ice, which is 600-meters thick in some places. Nonetheless, research continues and is yielding good results, Ferri said. [passage omitted]

PRC Delegation Visits Space Institute

PY272018 Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Nov 87 p A-20

[Text] A PRC delegation yesterday visited the National Institute of Space Research (INPE), located in Sao Jose dos Campos (97 km northeast of Sao Paulo) to prepare for the visit that PRC Astronautics Vice Minister Bao Keming will pay to Brazil in early December. The PRC delegation is headed by Wei Desen, vice president of the Chinese Academy of Space Technology.

According to INPE General Director Marco Antonio Raupp, 47, the visit of the PRC delegation will ensure the continuity of the space program in which Brazil and China are engaged. Raupp said that Chinese cooperation will help Brazil to break "the international blockade" that has prevented Brazil from completing its space program. Raupp said the PRC has made great progress in space technology.

The INPE director stated that there will be cooperation in two areas: mutual exchange of technology and equipment, and the joint Brazil-PRC launching of a satellite. Raupp said he expects that INPE will be able to provide 31 percent of the satellite components, especially for the "transponders," [preceding word in English] (equipment used to send and receive signals).

Raupp added that INPE'S main contribution to an exchange of technology with the PRC will be the supply of electronic components. According to Raupp, the prospects are good, although the negotiations with the Chinese will demand "a little patience."

Briefs

November Inflation Rate

The IBGE [Brazilian Institute of Geography and Statistics] today released figures on the inflation rate for November. It reached 12.8 percent. The accrued inflation rate from January to November has reached 308 percent. The inflation rate for the last 12 months breaks the record with 338 percent. [Excerpt] *[Rio de Janeiro Rede Globo Television in Portuguese 2155 GMT 27 Nov 87 PY]*

Chile

Pinochet Condemns Politicians in Speech

PY011547 Santiago Domestic Service in Spanish 0930 GMT 1 Dec 87

[Report from Iquique by Graciela Contreras]

[Text] The following is excerpts of what President Augusto Pinochet told Chile—and the entire world—in this historic city last night.

Pinochet again mentioned a letter that [acting United Left president] Luis Fernando Luengo addressed to Fidel Castro. Pinochet said Luengo has forgotten that Castro sent weapons to Chile to provoke a civil war here that would have cost thousands of lives, and that, at the same time, Castro ordered the assassination of the president of the Republic.

The head of state strongly lashed out at the politicians—he described them as suffering from a lust for power—who, driven by Moscow, want to regain power in order to relive the past.

Pinochet expressed regret that these gentlemen, as he called them, have money available, as well as quick tongues adept at brainwashing. He urged people at the rally to avoid being deluded because there are two good ways to confront these politicians—namely, unity and faith in winning the upcoming plebiscite.

Speaking to a crowd that packed the Galaxia [municipal stadium in Iquique], Pinochet did not read a speech but spoke in an impromptu manner, strongly criticizing the politicians and accusing them of bringing in foreigners to give us lessons in democracy when we actually should be teaching them.

Pinochet stressed that these politicians do not hesitate to go abroad to beg for money and to slander us. He emphasized that these politicians are already claiming that the plebiscite will not be clean, when the plebiscite actually is and will be clean; that is, they are already seeking a negative side.

Therefore, Pinochet urged the people to remain completely calm in order to demonstrate to the entire world that Chile is a democratic country that clearly meets its deadlines.

The head of state reasserted that the politicians are desperate, and for this reason they are seeking support abroad. This, he emphasized, may have unpredictable consequences.

Pinochet also warned the politicians to be careful because the Chilean people are wise. The people know who speaks the truth, and they have a very clear goal, he said.

Merino Criticizes FRG Politician's Remarks

PY020145 Santiago Radio Chilena Network in Spanish 2200 GMT 1 Dec 87

[Text] Admiral Jose Toribio Merino Castro has said that Christian Democratic Union [CDU] leader Heiner Geissler is a leader of low moral stature and an undesirable person.

Merino made this statement when criticizing the holding of the CDU conference in Santiago, which he said constituted meddling in Chile's domestic affairs.

During his stay in Chile, Geissler said Chileans should vote no in the plebiscite in order to avoid destabilization in Latin America by an eventual extension of the present Chilean military regime. He also harshly criticized the human rights situation in Chile.

[Begin recording] [Merino] I think this man Geissler, who is a German with low moral stature and an undesirable person—I would not like to be his friend—was quite insolent. It is unfortunate that he ever visited Chile. Everything he may have said or will say about Chile is completely groundless because these commentaries come from a person with a low moral stature.

[Unidentified reporter] What is your opinion of the other CDU members who were invited?

[Merino] They have nothing to do with Chile. They are welcome to visit Chile because no one prohibits them from doing so. If they want to come and talk about political issues in general, they are welcome. But I will not permit any of these gentlemen to tell Chileans how to govern our own country and how we should run our own country. We are an independent and sovereign country, and we are proud enough to reject prescriptions from anyone. Moreover, we are quite capable of resolving our own problems by ourselves, like the independent nation we are. [end recording]

Speaking about other issues, Adm Merino said he will not meet with UN human rights expert Fernando Volio, who is scheduled to arrive in Santiago on 8 December to obtain new reports about the human rights situation in Chile.

[Begin recording] [Merino] I do not meet with anyone who does not request an audience.

[Reporter] Has he requested an audience?

[Merino] No, he has not.

[Reporter] Are you willing to meet with him?

[Merino] No, I am not interested at all.

[Reporter] Admiral, don't you think it is a positive thing for these people to learn about the true situation of the country in view of the fact that the Chilean situation is so distorted abroad? Don't you think it is positive for these people to have the opportunity to see what is really happening in Chile?

[Merino] What you are saying is completely right in the sense that foreigners who visit Chile realize that everything that they see on television and read in the press about Chile is carefully concocted lies made up by international communism with the objective of slandering the Chilean Government.

But those who visit Chile do not tell the truth about what they see here when they go back to their countries. They follow the same line that is written about Chile in the press of their countries. If the press in their countries reports that Chileans are cutting off the legs of small children so they cannot walk, well they (?will confirm that) this is taking place in Chile. [end recording]

Adm Merino said foreign governments cannot tolerate the fact that Chile has been able to defeat communism.

[Begin Merino recording] We, a small country, have been able to defeat a communist regime, we have been able to throw the communists out. Communists cannot tolerate the fact that despite having inherited a bankrupt country, we have been able during these 14 years to unite Chileans, who have enthusiastically and successfully worked for the development and greatness of the country. [end recording]

During its regular meeting, the Government Junta approved two draft laws. One establishes regulations on the sale of bottled gas and the other replaces the third book of the commercial code, which governs the merchant marine.

Minister Denies Copper Financing Campaign

PY241300 Santiago Domestic Service in Spanish 0930 GMT 24 Nov 87

[Excerpt] Mining Minister Samuel Lira Ovalle has categorically denied that the extra money obtained from the copper price increase has been invested in the presidential campaign.

The minister made this statement during the ceremony at which the Chilean Post Office issued a new stamp of the Copper-87 series.

Lira termed as completely false reports that the money obtained from the increase in the copper price is being used for campaigns.

[Begin Lira recording] This is completely false and [words indistinct] no funds were invested and I do not know what presidential campaign people are talking about since there is no such campaign. In the second place not a single peso of CODELCO [Copper Corporation] funds has been invested in the so-called presidential campaign. [end recording] [passage omitted]

Municipal Buildings in Santiago Bombed

PY011321 Santiago Domestic Service in Spanish 0930 GMT 1 Dec 87

[By Oscar Benito Rebolledo]

[Text] Two bombs were detonated by unidentified individuals yesterday evening.

A bomb was detonated a the traffic department of the San Miguel municipality building, causing minor damage to the building's facade. Another bomb was detonated at the cleaning department of the Estacion Central municipality building, damaging a parked garbage truck.

According to police sources, the bombs did not cause any major damage, and no victims have been reported.

Briefs

AIDS Cases Reported

Health Under Secretary Augusto Schuster has disclosed that as of 15 October, 57 AIDS cases have been registered in Chile. Of these, 27 have been fatal. [Summary] *[Santiago Domestic Service in Spanish 2200 GMT 16 Nov 87 PY]*

Colombia

Minister Rules Out Ochoa's Extradition

PA011312 Bogota Inravision Television Cadena 2 in Spanish 1720 GMT 30 Nov 87

[Excerpts] [Passage omitted] The justice minister [Enrique Low Murira] and the police director opened an international meeting on crime here today at the Police Academy. [passage omitted] The justice minister referred to some of the problems affecting justice in Colombia:

[Begin recording] [Murira] I believe we are substantially improving the administration of justice, and impunity is being eliminated gradually. [end recording]

He also said that Jorge Luis Ochoa is already serving his sentence in Colombia. He ruled out his extradition, and pointed out that his legal situation is being analyzed by a Medellin court, where there is a dossier on narcotics trafficking. [passage omitted]

Attache Denies Links

PA271423 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 26 Nov 87

[Text] The Colombian Government today requested the removal of Colonel William Tomas Said, military attache at the Honduran Embassy in Bogota, after Jorge Luis Ochoa Vasquez was arrested last Saturday while driving Said's luxury car. In addition, the U.S. Government today requested Ochoa's extradition based on the multilateral Montevideo Treaty signed in 1933. The request was presented on 23 November, 2 days after Ochoa's arrest.

The Honduran Armed Forces rebutted the reports that the military attache was involved in drug trafficker Ochoa Vasquez' case, and said that this is simply an attempt to discredit the Honduran authorities. Col William Said telephoned a newspaper in Tegucigalpa from Bogota and said that his Porsche had been sent to a car dealership for repairs, not to be used by another person.

Our newscast today obtained additional information on the military attache's luxury car, which was being driven by Jorge Luis Ochoa on Saturday. The 1987 Porsche Turbo was directly purchased by Col William Tomas Said at Consultenos, Inc in Panama City, according to the bill of sale 57831 dated 27 May 1987. Following the car's arrival in Colombia—the initial paperwork was prepared by International Movers, another company owned by Teddy Raad—the diplomat took his vehicle to the company for inspection.

[Begin Said recording] The vehicle was sent on 18 November to Raad's dealership for a general check-up and that is where it was left. It was agreed that the vehicle would be picked up on Monday [23 November]. On Monday morning the ambassador asked me if I had heard about the situation concerning my vehicle. [end recording]

It was ascertained that the Porsche was lent on the afternoon of 19 November to Marialia Posada Echeverry, Jose Luis Ochoa's wife, who drove it to Cali. She was the unidentified woman who accompanied him on Saturday when he was arrested on the El Valle highway. The vehicle carried license plate EM1779 from Zipaquira when it was released by Raad's employee, Juan Armando Villota, upon instructions from Juan Carlos Ramirez of the Rosales Car Agency in Medellin.

[Begin recording] [Said] Vehicles imported by diplomats carry diplomatic license plates and are authorized by the Foreign Ministry, through the protocol section.

[Reporter] Why did your vehicle not have diplomatic license plates?

[Said] I do not understand it. My vehicle has diplomatic license plates.

[Reporter] The vehicle carried license plates EM1779 when it was seized in El Valle Department.

[Said] That is why we initially thought it was not the same vehicle, because the vehicle was not carrying... what do you call them, black license plates? I mean, diplomatic license plates. When we left the vehicle at Raad's dealership on 18 November the license plates were removed to prevent anyone from using the vehicle.

[Reporter] Col Said, do you remember the license plate numbers?

[Said] Ah..66..66..CD0662. I have the license plates in my office. [end recording]

The statement does not coincide with that of Zipaquira Traffic inspector Jairo Olaya, who received and registered the vehicle on 9 November—in other words, 9 days before it was taken to Raad's dealership—in Col William Tomas Said's name. The vehicle had been sent to Raad's car dealership and the paperwork is still pending. The license plates EM1779 and a provisional permit were issued that day to Argemiro Castellanos, a Raad employee, who took the vehicle for registration, according to the Cundinamarca Traffic Division.

[Begin recording] [Said] I am quite sure, I am quite sure [repeats himself] that I will be fully exonerated and my conscience is clear.

[Reporter] Colonel, have you heard of Jose Luis Ochoa?

[Said] No, never.

[Reporter] It is true that you have been declared persona non grata because your name has been linked with Ochoa's case?

[Said] No comment. [end recording]

Paraguay

PLR Convention Names Presidential Candidate

PY010134 Asuncion EL DIARIO in Spanish 30 Nov 87 p 10

[Excerpts] The special convention of the Radical Liberal Party (PLR) was held yesterday with the participation of 586 conventioneers. The preliminary ceremonies began at 0830 and were presided over by PLR President Emilio Forestieri. The convention was officially opened at 1100. [passage omitted]

The convention began its deliberations as soon as the credentials committee installed the 586 conventioneers. In accordance with the agenda of the convention, Emilio Forestieri read the report on the current national political situation. According to the basic principles outlined

in this document the party must participate in the presidential elections. The conventioneers expressed their approval for the document with a standing ovation.

After approving the party's participation in the February elections, the conventioneers addressed the nomination of candidates for president of the Republic, senators, and deputies. A single ticket entitled "Democratic Center" was presented. Five balloting boxes were set up and a vote-counting committee was established. Luis Maria Vega was nominated as presidential candidate for the February presidential elections, as a result of the 459 votes obtained by the Democratic Center ticket. [passage omitted]

The presidential candidate Luis Maria Vega closed the convention with a short speech briefly outlining his political program.

PLRA Leaders Report Party Member Missing

PY271505 Asuncion HOY in Spanish 27 Nov 87 p 7

[Text] Leaders of the Authentic Liberal Radical Party (PLRA) yesterday reported that a party member from the town of Ita is missing. Ceferino Villalba was detained, along with other rank-and-file PLRA members, when they entered the country after having met with Dr Domingo Laino in Foz de Iguazu, a Brazilian town on the border with Paraguay.

According to the report, the detainees were taken to the Alto Parana Government House by Investigation Department personnel. They remained there until they were driven to their homes in a police car, and freed.

Detainees Miguel Lezcano, Tomas Zayas, and another individual, whose last name is Cohene, were taken to their homes. Ceferino Villalba, however, never reached his home, and has been missing since then. Investigations in the case have yielded nothing so far. According to the PLRA leaders, personnel of the Asuncion police and the Alto Parana Government House had nothing to report on the case. A habeas corpus petition will be filed for Villalba this morning.

Police Release Villalba

PY011955 Asuncion LA TARDE in Spanish 1 Dec 87 p 8

[Text] Ceferino Villalba, an Authentic Radical Liberal Party (PLRA) peasant leader, was freed today after spending several days in custody at the Investigative Police Department in Asuncion.

Villalba was arrested last week together with other peasant leaders upon his return from the border town of Foz do Iguacu, Brazil, where he participated in a meeting of the PLRA Directorate.

Villalba told the press that he was kept blindfolded for a long time. "During my arrest the police threatened me, they even threatened me with death, and accused me of being a communist, among other things. They made the same charges against our president (Domingo Laino)."

Peru

Military Arrest Mayor, Close Radio Stations

PA020027 Paris AFP in Spanish 1702 GMT 1 Dec 87

[Text] Lima, 1 Dec (AFP)—Military officials in Tarapoto reported today that the Army closed three radio stations and arrested a Marxist mayor yesterday for supposed links with the Tupac Amaru guerrillas in the chaotic Amazon region of San Martin Department.

The report added that the radio stations that were closed were Radio Tarapoto and Tropical in Tarapoto, located 700 km northeast of Lima, and Radio Estacion C in Moyobamba, located 800 km northeast of Lima. The San Martin radio station association termed this action "arrogance which infringes on freedom of expression."

The association's report added that the radio stations had been closed the previous day, with military troop support, by officials from the Transportation and Communications Ministry who gave technical reasons for the closure, such as "frequency imbalance" and "operating outside normal frequencies," to explain their action.

The closed radio stations had been broadcasting substantial information about the fact that 2,000 military and police troops were pursuing Tupac Amaru Revolutionary Movement (MRTA) guerrillas. They had also broadcast clandestine guerrilla communiques.

This area of San Martin Department was declared an emergency zone on 10 November 1987, after the MRTA assaulted several towns with the new People's Guerrilla Army (ERP), headed by "Commander Rolando," who has been identified by government officials as a former APRA leader, Victor Polay Campos.

Another report has indicated that the wife of the Tabalosos district mayor—Tabalosos is located near Tarapoto—stated that Francisco Cueva Bardales and four members of the United Left party—the principal opposition force—were arrested yesterday by military personnel.

The woman added that the official who arrested them told the family that they were going to be questioned about supposed links with the MRTA, but that at present she does not know the mayor's whereabouts.

An official communique issued by the area's political and military command did not mention the case and rejected versions that Los Valles del Sisa and El Mayo

residents were threatened by the guerrillas and the military troops and that they have begun to flee from supposed abuses by security forces.

Huanta Mayor Murdered, Wife Wounded
PY021139 Lima Radioprogramas del Peru in Spanish 2322 GMT 1 Dec 87

[Relay by Mario Cueto Cardenas from Ayacucho]

[Excerpt] (Victor Raul Yangari Castro), who was recently reelected mayor of Huanta and is a member of the APRA, was murdered this morning near his home. He was riddled with bullets by two youths, apparently minors.

The mayor's body was taken to the Huanta hospital and a wake is now being held in the provincial council. His wife, (Rene Santacruz), was wounded in the stomach and chest. She was taken to the Ayacucho hospital in an Air Force helicopter. She underwent surgery and her condition is serious. The mayor's bodyguards were not with the mayor at the time of the attack. The funeral will be held at 1000 on 3 November. [passage omitted]

'Subversive Cell' in Ancash Dismantled
PA011706 Lima Television Peruana in Spanish 1800 GMT 27 Nov 87

[Text] A subversive cell that operated in Cabana and Pallasca, Ancash Department, has been dismantled by the Chimbote police. The leader of the group was identified as (Leoncio Casanacancha), a medical student in San Marcos.

Most of the members of the group were minors.

Suriname

NDP Chairman Wijdenbosch on Recent Elections
FL012120 Paramaribo International Service in English 1730 GMT 1 Dec 87

[Text] The National Democratic Party [NDP] has reasons to expect a favorable outcome of the elections. Our party has realized many (?feats) in the society and the people look with enthusiasm to the newly introduced structure. These were the words of NDP Chairman Jules Wijdenbosch in an interview. He said that even though the NDP lost the election, Suriname has become more conscious. In this light Wijdenbosch said: The NDP did have success. According to Wijdenbosch, the coming government must execute the mandate it received as soon as possible. He said the transition to the new government takes no longer than 2 months. Wijdenbosch said the National Assembly can start working within 2 or 3 weeks; afterwards the president could be elected.

National Assembly Seats Report Expected 2 Dec
FL011910 Paramaribo International Service in English 1730 GMT 1 Dec 87

[Text] The distribution of seats for the 51-member National Assembly is known but will be made public tomorrow at the public meeting of the independent elections office. The three party coalition of the Front for Democracy and Development succeeded in getting 40 seats. PALU [Progressive Workers and Farm Laborers Union] and the Pendawalima won four seats each, all in the three emergency districts. The National Democratic Party will be represented by three persons in the National Assembly. If there are no internal changes the Assembly will have no more than two women.